



COUNTY OF TULARE

BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

136 N AKERS STREET
VISALIA, CALIFORNIA 93291

TELEPHONE (559) 713-2900
FAX (559) 730-2631
www.tcera.org

AGENDA OF THE BOARD OF RETIREMENT
REGULAR RETIREMENT BOARD MEETING
Wednesday, April 28, 2021 at 8:30 a.m.
TCERA Board Room, 136 N. Akers Street, Visalia, CA 93291

NOTICE OF TEMPORARY PROCEDURES FOR BOARD OF RETIREMENT MEETINGS

On March 17, 2020, California Governor Gavin Newsom issued Executive Order N-29-20, relating to the convening of public meetings in light of the COVID-19 pandemic. The Tulare County Employees' Retirement Association (TCERA) hereby provides notice that it will continue to convene its regularly scheduled public meetings of the Board of Retirement in the Board Room at 136 N. Akers Street, Visalia, as provided in the publicly posted agenda notice, and until further notice.

Persons who wish to address the Board of Retirement during public comment or regarding an item that is on the agenda may address the Board of Retirement in person at the meeting. Members of the public may also submit public comment via email to BORPublicComment@tcera.org before the meeting. The comments received via email before the meeting will be read to the Board of Retirement in open session during the meeting as long as the comments meet the requirements for Public Comments as posted in the agenda. Persons wishing to listen to the meeting and/or participate in public comment remotely may call the TCERA Office during regular business hours (Monday through Friday, 8:00 a.m. to 5:00 p.m.) within 48 hours of the meeting at 559-713-2900 for login information. Public comments are limited to any item of interest to the public that is within the subject matter jurisdiction of the Board of Retirement. (Gov't Code Section 54954.3(a).)

As a courtesy to those in attendance, all individuals are requested to place cell phones and other electronic devices in the non-audible alert mode.

I. CALL TO ORDER

II. ROLL CALL

III. PLEDGE OF ALLEGIANCE

IV. PUBLIC COMMENT

At this time, members of the public may comment on any item not appearing on the agenda. Under state law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public is invited to make comments at the time the item comes up for Board consideration. Any person addressing the Board will be limited to a maximum of five (5) minutes so that all interested parties have an opportunity to speak. Please state your name for the record.

V. X-AGENDA ITEMS

VI. DISABILITIES

1. Closed session to be held regarding disability matters listed on this agenda.
2. In the matter of the disability application of Mark Hays, consider and take action regarding the application for a disability retirement.
3. Accept as filed the Disability Status Report Overview.

VII. CONSENT CALENDAR

1. Approve Minutes of the following meetings:
 - a. Retirement Board Minutes of April 14, 2021.
2. Approve payments to:
 - a. Cheiron – invoice for actuarial services in the amount of \$4,548.50 for the quarter ended March 31, 2021.

VIII. NEW BUSINESS

1. Presentation from Meketa Investment Group regarding the firm's response to TCERA's Request for Proposal for investment consulting services. Discussion and possible action.
2. Presentation from AndCo Consulting regarding the firm's response to TCERA's Request for Proposal for investment consulting services. Discussion and possible action.

IX. UPCOMING MEETINGS

1. Special Board of Retirement Meeting April 29, 2021, 8:30 a.m.
2. Administrative Committee Meeting, April 29, 2021, 12:00 noon.
3. Investment Committee Meeting – May 12, 2021 - Canceled
4. Board of Retirement Meeting May 26, 2021, 8:30 a.m.
5. Administrative Committee Meeting – May 26, 2021, 10:30 a.m.

X. TRUSTEE/STAFF COMMENTS

Under state law, matters presented under this item cannot be discussed or acted upon by the Board at this time.

XI. ADJOURNMENT

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Secretary of the Board of Retirement at (559) 713-2900. Notification 48 hours prior to the meeting will help enable staff to make reasonable arrangements to ensure meaningful access. Documents related to the items on this Agenda submitted after distribution of the Agenda packet are available for public inspection at TCERA, 136 N. Akers Street, Visalia, CA. during normal business hours.

Investment Consulting Services

April 28, 2021

Annette Bidart

Consultant

Michael Fleiner

Consultant

Steve Gordon

Partner

Tulare County Employees Retirement Association (TCERA)





Contents

- OUR FIRM
- TEAM, PROCESS & EXECUTION
- PORTFOLIO OBSERVATIONS
- FEE PROPOSAL & TRANSITION PLAN
- SERVICE TEAM BIOGRAPHIES



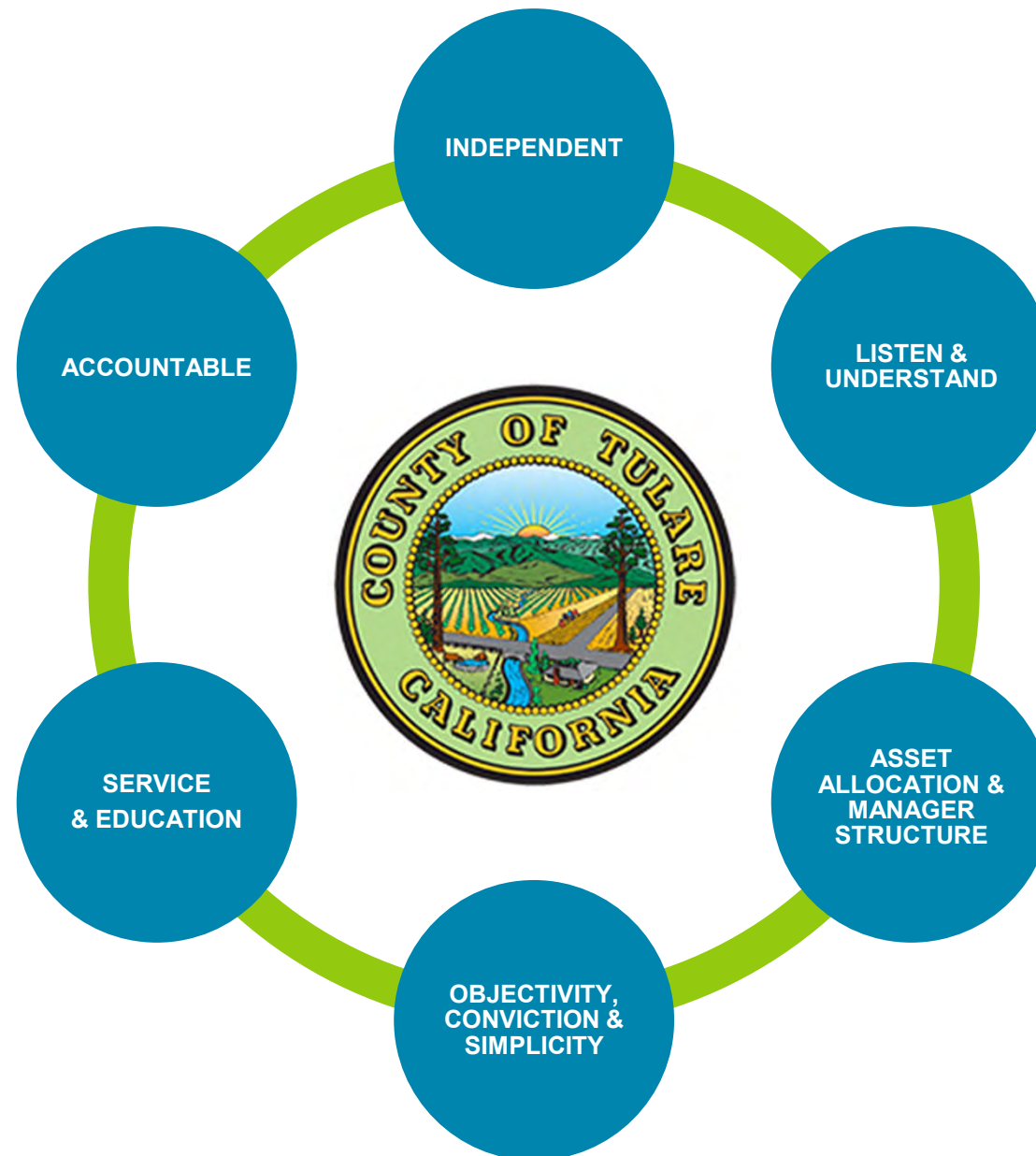
OUR FIRM

Why AndCo?

- New set of eyes by an experienced willing, and eager team.
- After 10 years of status quo, a fresh approach may be warranted.
- We will focus on above benchmark returns, positive alpha, increased investment discipline.
- AndCo wants to build our California 37 Act business, so we will do it well. We will not take the opportunity for granted.
- AndCo has the lowest fees of the proposed bids.
 - **No increase in fees for five years and no added charges for private equity searches.**
- Service Guarantee – 1 year or your money back.

**Initial observations should not be construed as exhaustive or guaranteed. They are provided for informational purposes only and not intended as investment advice or formal recommendations.*

Investment Consulting Core Beliefs



Who We Are

Institutional Focus
~\$112 BILLION AUA



100%
of profits are reinvested



~98%
Annualized
Client Retention

Fiduciary,



**without
exception**



Complete open
architecture
with vendors

Focused Resources

- Institutional focus (Approximately \$112 billion AUA)
- Investment consulting only
- 90 employees
 - 25 CFA® Charterholders
 - 9 CAIA® Members
 - 7 CPFA Certificants
 - 6 CIPM® Certificants
 - 2 CIMA® Designees
 - 41 advanced degrees
- Dedicated Research Team and Client Solutions Team
- 100% of profits are reinvested
- Employee owned and operated – Our interests are aligned

Client Service Culture

- Long term partnerships / Client retention
- Service guarantee
- Commitment of team to Tulare County

Truly Independent

- Fiduciary, without exception
- No licenses to sell products for a commission
- Complete open architecture with vendors
- Dedicated compliance team
- Conducted independent SEC Mock Audit in 2018 & 2020
- Have never been sued by a service provider or client
- No fund of funds
- No direct or indirect manager compensation
- No competing lines of business
- No holding company to divert resources

Employee count as of April 7, 2021



Organizational Chart



PARTNERSHIP

Mike Welker, CFA®
Bryan Bakardjiev, CFA®
Dan Johnson
Dan Osika, CFA®
Donna Sullivan
Evan Scussel, CFA®, CAIA®

Jacob Peacock, CPFA
Jason Purdy
Kim Spurlin, CPA
Steve Gordon
Troy Brown, CFA®

LEADERSHIP & MANAGEMENT

Mike Welker, CFA®
CEO

Bryan Bakardjiev, CFA®
COO

Kim Spurlin, CPA
CFO

Sara Searle
CCO

Rachel Brignoni, MHR
CHRO

Steve Gordon
Partner

Troy Brown, CFA®
Executive Director

Brooke Wilson, CIPM®
Client Solutions Director

Dan Johnson
Consulting Director

Daniel Kwasny, CIPM®
Client Solutions Director

Evan Scussel, CFA®, CAIA®
Research Director

Jack Evatt
Consulting Director

Jacob Peacock, CPFA
Consulting Director

Jason Purdy
I.T. Director

Molly Halcom
Marketing Director

Philip Schmitt
Research Director

INVESTMENT POLICY COMMITTEE

Mike Welker, CFA®
Bryan Bakardjiev, CFA®
Troy Brown, CFA®
Sara Searle

CONSULTING

Andy Kiehl
Annette Bidart
Brad Hess, CFA®, CPFA
Brendon Vavrica, CFP®
Brian Green
Chris Kuhn, CFA®, CAIA®
Christiaan Brokaw, CFA®
Dave West, CFA®
Doug Anderson
Gwelda Swilley
Ian Jones
James Ross
Jeff Kuchta, CFA®

Jennifer Brozstek
Jennifer Gainfort, CFA®, CPFA
John McCann, CIMA®
John Mellinger
John Thinnies, CFA®, CAIA®
Jon Breth, CFP®
Justin Lauver, Esq.
Kevin Vandolder, CFA®
Kerry Richardville, CFA®
Mary Nye
Michael Fleiner
Michael Holycross, CIMA®

Mike Bostler
Oleg Sydyak, CFA®, FSA, EA
Paul Murray, CPFA
Peter Brown
Rich Robben, CFA®
Tim Nash
Tim Walters
Tony Kay
Trevor Jackson
Tyler Grumbles, CFA®, CIPM®, CAIA®

CLIENT SOLUTIONS

Donna Sullivan
Albert Sauerland
Amy Foster
David Gough, CPFA
Donnell Lehrner, CPFA

Grace Niebrzydowski
Jeff Pruniski
Joe Carter, CPFA
Junyan Peng, CFA®
Kim Hummel

Meghan Haines
Misha Bell
Yoon Lee-Choi

OPERATIONS

FINANCE
Brandie Rivera
Kahjeelia Pope
Robert Marquetti

COMPLIANCE
Thay Arroyo

H.R.
Sara Schmedinghoff
I.T.
Jamie Utt

OPERATIONS
Jerry Camel

MARKETING
Dan Osika, CFA®
John Rodak, CIPM®
Kayleigh Greaser
Kim Goodearl
Lauren Kaufmann
Ravenel Rudd

RESEARCH

Austin Brewer, CFA®, CAIA®
Public Fixed Income

Ben Baldridge, CFA®, CAIA®
Private & Hedged Fixed Income

Dan Lomelino, CFA®
Fixed Income

David Julier
Real Estate & Real Assets

Elizabeth Wolfe
Capital Markets & Asset Allocation

Evan Scussel, CFA®, CAIA®
Private & Public Equity

Jeremy Fisch
Public Multi Assets & Fixed Income

Joseph Ivaszuk
Operational Due Diligence

Josue Christiansen, CIPM®
Public Equity

Julie Baker, CFA®, CAIA®
Private & Hedged Equity

Justin Ellsesser, CFA®, CAIA®
Private Equity

Kevin Laake, CFA®, CAIA®
Private Equity

Michael Kosoff
Hedge Funds

Philip Schmitt
Fixed Income & Capital Markets

Zac Chichinski, CFA®, CIPM®
Public Equity



90
EMPLOYEES

41 ADVANCED
DEGREES

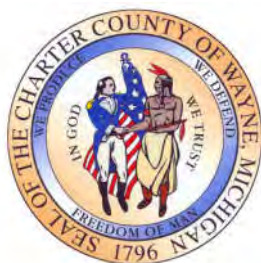
25 CFA®

9 CAIA®

7 CPFA

6 CIPM®

Representative Clients across the United States



CITY OF NEW ORLEANS



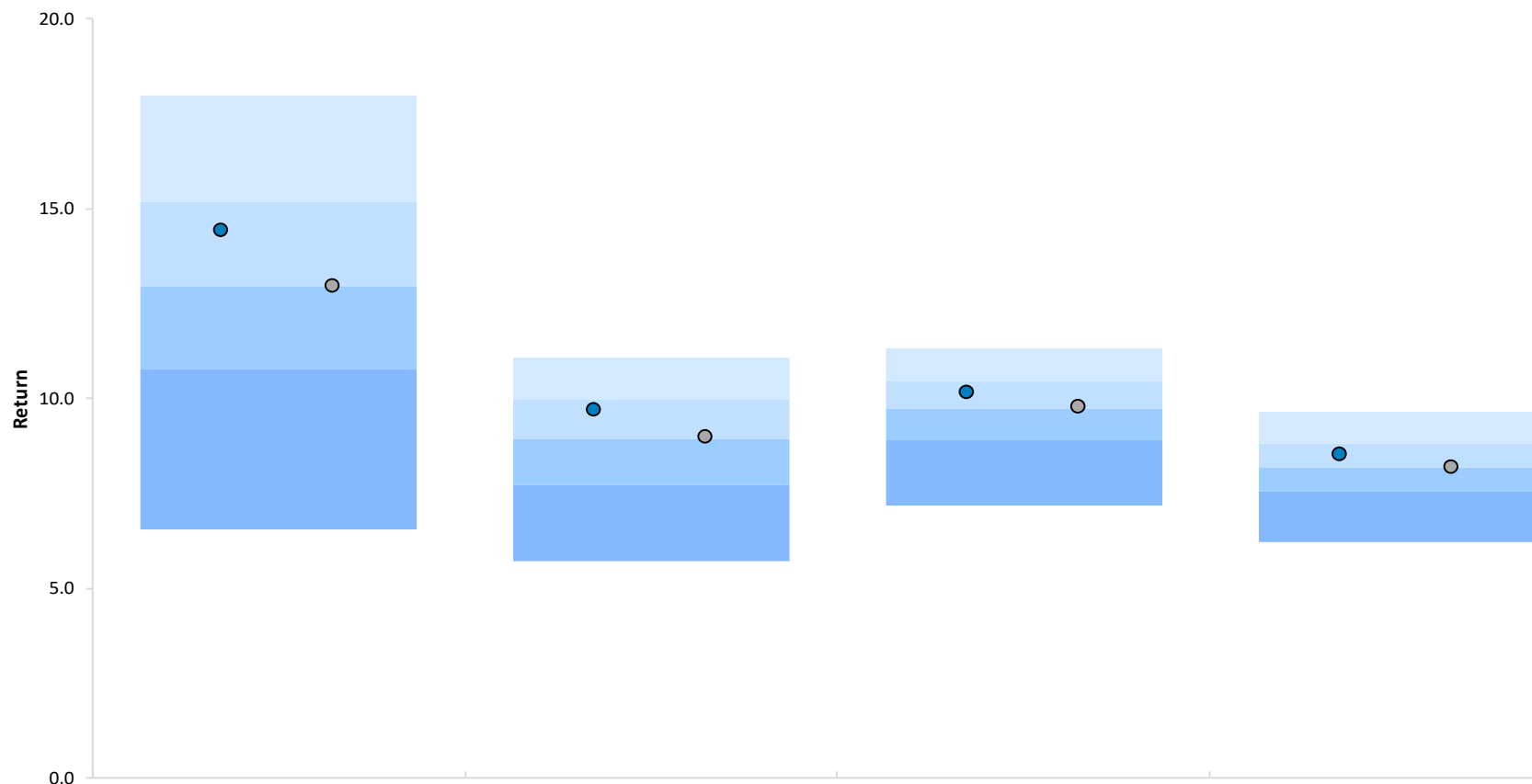
For illustrative purposes only. This is not intended to reflect the entirety of AndCo's clients, but to demonstrate a representative sampling. The trademark/logos listed above are owned by the respective AndCo clients and are being used for illustrative and referential purposes only and are not intended to suggest endorsement or affiliation.



AndCo All Public Plans Performance – Annualized Periods

As of December 31, 2020

All Public Plan Sponsors vs. AndCo Public Plans



	1 Year	3 Year	5 Year	10 Year
● AndCo Public Plans Median	14.39 (35)	9.66 (31)	10.12 (35)	8.49 (36)
○ All Public Plan Sponsors Median	12.94 (50)	8.96 (50)	9.74 (50)	8.18 (50)
5th Percentile	17.97	11.09	11.33	9.66
1st Quartile	15.17	9.98	10.43	8.81
Median	12.94	8.96	9.74	8.18
3rd Quartile	10.80	7.72	8.91	7.57
95th Percentile	6.57	5.73	7.18	6.22
Universe Population	743	704	677	562

Important Note: Performance is shown gross of AndCo advisory (consulting) fees, but net of fees for 3rd party investment manager separate accounts and mutual funds. Please see additional important disclosure information included at the end of this exhibit. This document is intended solely for the recipient and distribution to other parties or the public is prohibited.



TEAM, PROCESS & EXECUTION

Consulting Team

We've found a multi-faceted team approach enhances client service and helps create the opportunity for greater success.



ANNETTE BIDART

Primary Co-Consultant

- Develops prudent investment policies
- Optimizes asset allocation
- Coordinates investment manager due diligence
- Recommends investment managers
- Reviews performance monitoring reports



MICHAEL FLEINER

Primary Co-Consultant

- Develops prudent investment policies
- Optimizes asset allocation
- Coordinates investment manager due diligence
- Recommends investment managers
- Reviews performance monitoring reports

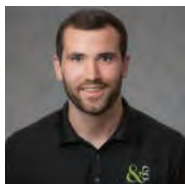


MISHA BELL

Client Solutions

- Assists in making recommendations
- Conducts asset allocation and performance verification
- Part of a team with 25+ years of professional performance analysis experience
- Creates customized monthly and quarterly performance reports

Research Group



AUSTIN BREWER, CFA®, CAIA®

- Public Fixed Income
- 5+ years of experience
- BS: Oklahoma State University



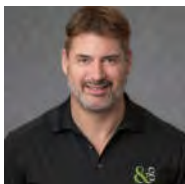
BEN BALDRIDGE, CFA®, CAIA®

- Private & Hedged Fixed Income
- 14+ years of experience
- BS: Millikin University



DAN LOMELINO, CFA®

- Fixed Income
- 22+ years of experience
- BS: Northern Illinois University
- MBA: University of Chicago



DAVID JULIER

- Real Estate & Real Assets
- 19+ years of experience
- BA: University of Michigan
- MBA: Indiana University



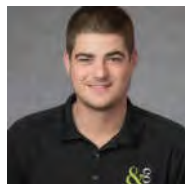
ELIZABETH WOLFE

- Capital Markets & Asset Allocation
- 2+ year of experience
- BS: Marquette University



EVAN SCUSSEL, CFA®, CAIA®

- Private & Public Equity
- 20+ years of experience
- BA: University of Rhode Island
- MBA: University of Connecticut



JEREMY FISCH

- Public Multi Assets & Fixed Income
- 2+ year of experience
- BA: University of Central Florida
- MS: University of Tampa



JOSEPH IVASZUK

- Operational Due Diligence
- 20+ years of experience
- BA: Western Connecticut State University
- MBA: Western Connecticut State University



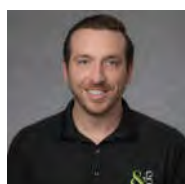
JOSUE CHRISTIANSEN, CIPM®

- Public Equity
- 8+ years of experience
- BS: Florida Atlantic University
- MBA: Florida Atlantic University



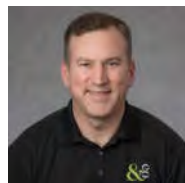
JULIE BAKER, CFA®, CAIA®

- Private & Hedged Equity
- 20+ years of experience
- BS: University of Florida
- MBA: Kennesaw State University



JUSTIN ELLSESSER, CFA®, CAIA®

- Private Equity
- 9+ years of experience
- BSBA: Shippensburg State University



KEVIN LAAKE, CFA®, CAIA®

- Private Equity
- 20+ years of experience
- BS: University of Virginia
- MBA: University of Maryland



MICHAEL KOSOFF

- Hedge Funds
- 18+ years of experience
- BA: University of California-Berkeley
- MBA: Harvard University



PHILIP SCHMITT

- Fixed Income & Capital Markets
- 20+ years of experience
- BA: Portland State University
- MBA: University of Portland



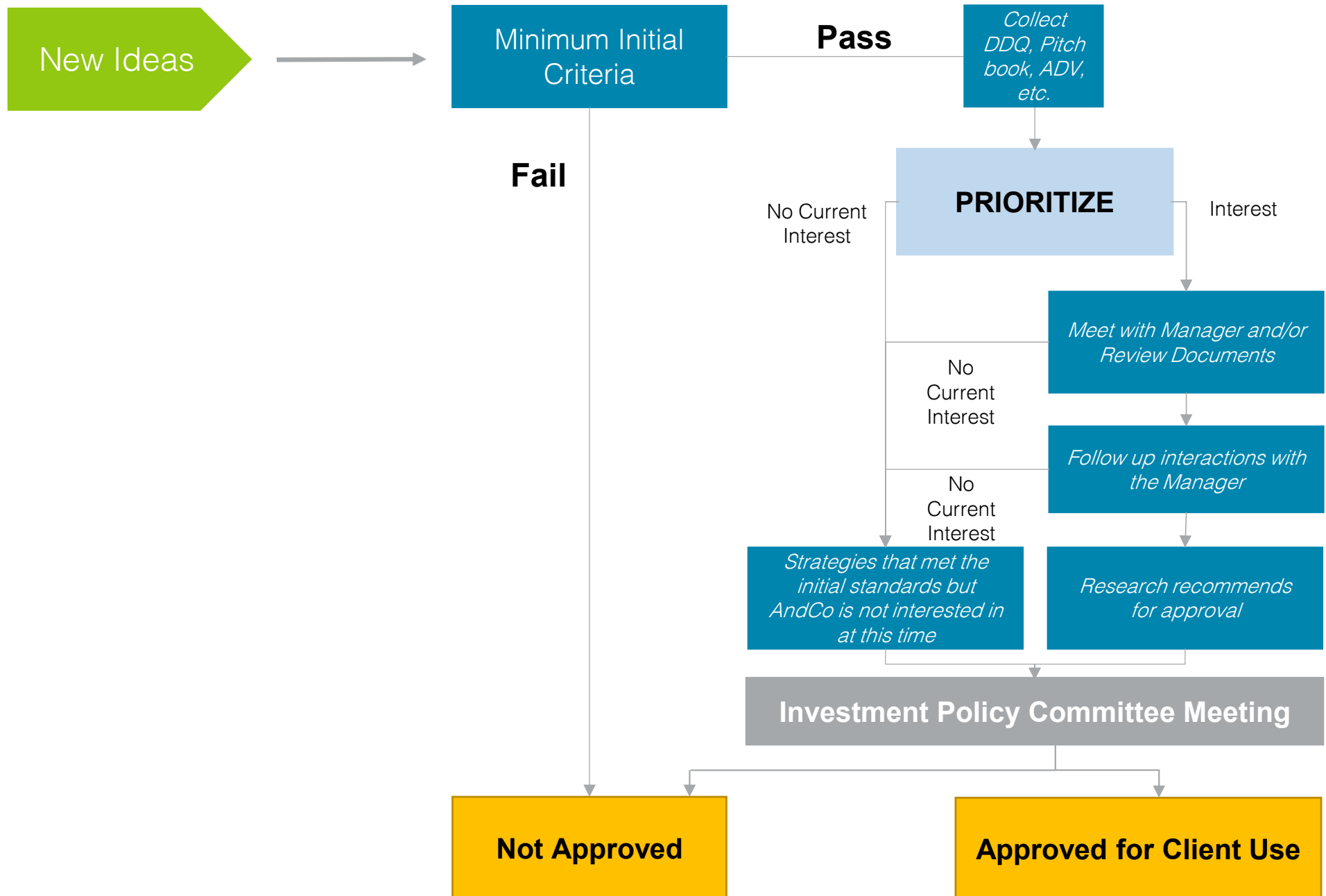
ZAC CHICHINSKI, CFA®, CIPM®

- Public Equity
- 10+ years of experience
- BA: University of Washington

Asset Class Coverage

Domestic Equities	Non-US Equities	Fixed Income	Real Assets	Private Equity	Other Strategies
<ul style="list-style-type: none"> ▪ Large Cap ▪ Mid Cap ▪ Small Cap ▪ Multi Cap ▪ Enhanced ▪ Passive 	<ul style="list-style-type: none"> ▪ Large Cap ▪ Small Cap ▪ Emerging Markets ▪ International Small Cap ▪ Global ▪ Enhanced ▪ Passive 	<ul style="list-style-type: none"> ▪ Stable Value ▪ Short Duration ▪ Intermediate Duration ▪ Core ▪ Core Plus ▪ High Yield ▪ Bank Loans ▪ Global ▪ Emerging Markets ▪ Absolute return/opportunistic ▪ Private Debt ▪ Enhanced ▪ Passive 	<ul style="list-style-type: none"> ▪ Core Real Estate ▪ Value-Add Real Estate ▪ Opportunistic Real Estate ▪ REITs ▪ Infrastructure ▪ MLPs ▪ Natural Resources ▪ Passive 	<ul style="list-style-type: none"> ▪ Buyout ▪ Venture ▪ Growth Equity ▪ Special Situations ▪ Secondaries ▪ FOF ▪ Co-Investments 	<ul style="list-style-type: none"> ▪ Target Date Funds ▪ Multi-Asset ▪ GTAA ▪ Long/Short Equity ▪ Multi-strategy ▪ Funds of Hedge Funds

Strategy/New Ideas Initial Review Process



Proactive Recommendations

- Our Research Group is constantly conducting meetings to discover new strategies and what we deem to be the best available investment managers in the marketplace (relative to their peers based on industry metrics such as performance, fees, risk and manager continuity). In 2020*, our Research Group accomplished 1,265 meetings.
- We understand the challenges that institutional investors face in the current market environment and realize there is no quick fix. However, we are continuously looking for innovative ways to potentially enhance returns and dampen volatility to help our clients meet their long-term investment objectives.
 - TALF – 2009
 - Global Bonds – 2009 to present
 - Credit Opportunities – 2009 to present
 - MLPs – 2010 to present
 - Private Equity (Primary and Secondary) – 2010 to present
 - Real Estate (Core, Value Add, Opportunistic, Debt) – 2009 to present
 - High Yield Bonds – 2009 to 2014
 - TIPS – 2006 to 2012
 - MLP PIPE Investments - 2016

Asset Allocation Assumption Methodology

The foundation of asset allocation modeling is its use as an effective tool to manage portfolio risk. However, the modeling process is an imperfect science that depends on asset class forecasts and mathematical assumptions. Limitations include:

- Model output is based on the capital market assumptions; accurately predicting the expected return, standard deviation, and correlation coefficients for each asset class is very difficult.
- Many asset classes have historically exhibited non-normal return distributions (fat-tails and/or skewness); models generally assume normal distributions.
- Correlation coefficients change over time and may potentially overestimate the diversification benefits of combining asset classes (particularly during periods of market stress).
- Alternative asset classes may introduce risk factors that are not captured in their standard deviation.

Despite its inherent shortcomings, asset allocation modeling is an effective tool that provides clients with a sound **framework** for helping to make and monitor the long-term strategic allocation of a portfolio.

Rather than dedicating significant internal resources to develop and maintain a set of model forecasts, AndCo utilizes JP Morgan's 10- to 15-year long-term capital market assumptions for modeling purposes. These projections have been produced with a sound, consistent methodology over the last 23 years with 2019's dataset representing more than 50 asset classes with availability in 14 base currencies.

AndCo has utilized JP Morgan's assumptions, updated each year, as the base set of inputs for our asset allocation modeling since 2008.

While AndCo does not alter the inputs from JP Morgan to maintain data-integrity of their development, AndCo's asset allocation viewpoints and client guidance is further shaped and supplemented by both historical asset allocation analysis of realized results and our capital market research and experience.

AndCo's capital market research is based on macro inputs from 3rd party macroeconomic research vendors as well as our interaction and discussions throughout the year with our colleagues and industry professionals.



Asset Liability Consultant Bio



Oleg Sydyak, CFA®, FSA, EA
Asset Liability Consultant

Our Asset Liability Consultant is a dedicated full-time employee whose sole responsibility is performing asset-liability modeling (ALM).

Oleg is a Fellow of the Society of Actuaries and prior to joining AndCo, held the role of Managing Director, Head of Asset and Liability Strategy for PNC Capital Advisors in Chicago. He has also held positions at Towers Watson, Buck Consultants, and Ford Motor Company. In addition, Oleg was an Adjunct Assistant Professor of Finance at the University of Chicago Booth School of Business. Oleg's educational background and designations include:

- Bachelor's Degree in Applied Mathematics from Kharkov State Technical University of Radio-Electronics
- Master's Degree in Political Economy from the London School of Economics
- Master's Degree in Actuarial Science from The University of Iowa
- Master of Business Administration Degree in Analytic Finance from the University of Chicago
- Chartered Financial Analyst (CFA) Charterholder
- Enrolled Actuary (EA)
- Fellow of the Society of Actuaries (FSA)

Steps In An ALM Study

- Asset liability modeling is a tool employed to evaluate the potential financial impact and risk exposure that a retirement system is exposed to by an existing portfolio or a set of potential portfolios. Risk may be defined as the standard deviation of returns, the probability of achieving a target return, or various pension financial metrics related to contributions, funded ratios, or liquidity measures. In theory there is a positive relationship between risk and returns – the greater the risk, the greater the returns. However, the capital markets do not always behave in this manner, particularly over shorter time horizons. Risk tolerances and return goals vary from situation to situation and over time, so it is important to consider the unique circumstances present in any situation.
- The modeling process is imperfect, relying on forecasts for the asset classes and plan liabilities. Accurately predicting the performance of the capital markets is nearly impossible. Plan liability forecasts can vary depending on economic and demographic factors outcomes. It is important to understand the potential variability of outcomes, the potential impact on results, and the conclusions drawn from them.

- Key Steps In Conducting An Asset Liability Study:**

- 1. Identify and define the objectives**

- Funded ratio targets
- Contribution targets
- Assess liquidity needs – current and future cash flows
- Time horizon

- 2. Assess risk tolerance**

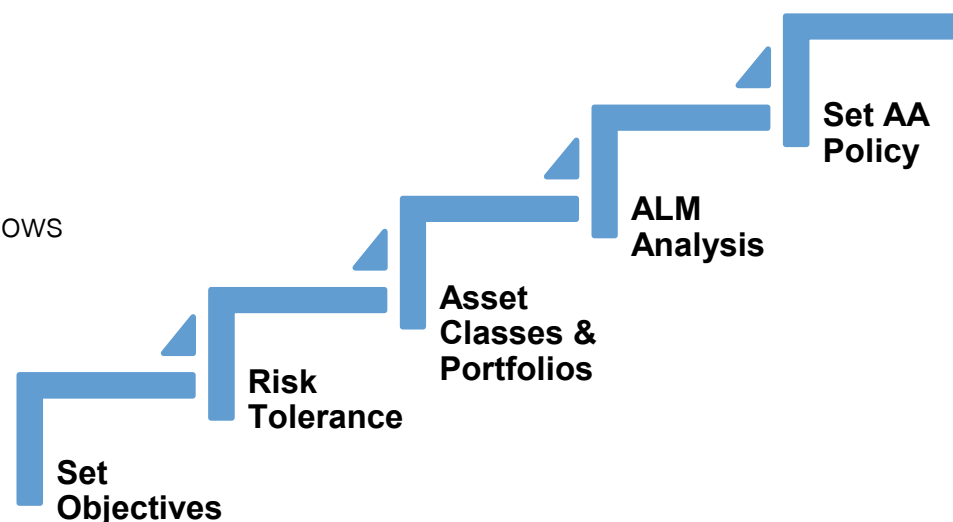
- Portfolio risk
- Funded ratio volatility and minimums
- Contribution volatility and maximums
- Liquidity – risk of forced asset sales

- 3. Determine appropriate asset classes and portfolios**

- 4. ALM analysis of investment portfolio alternatives**

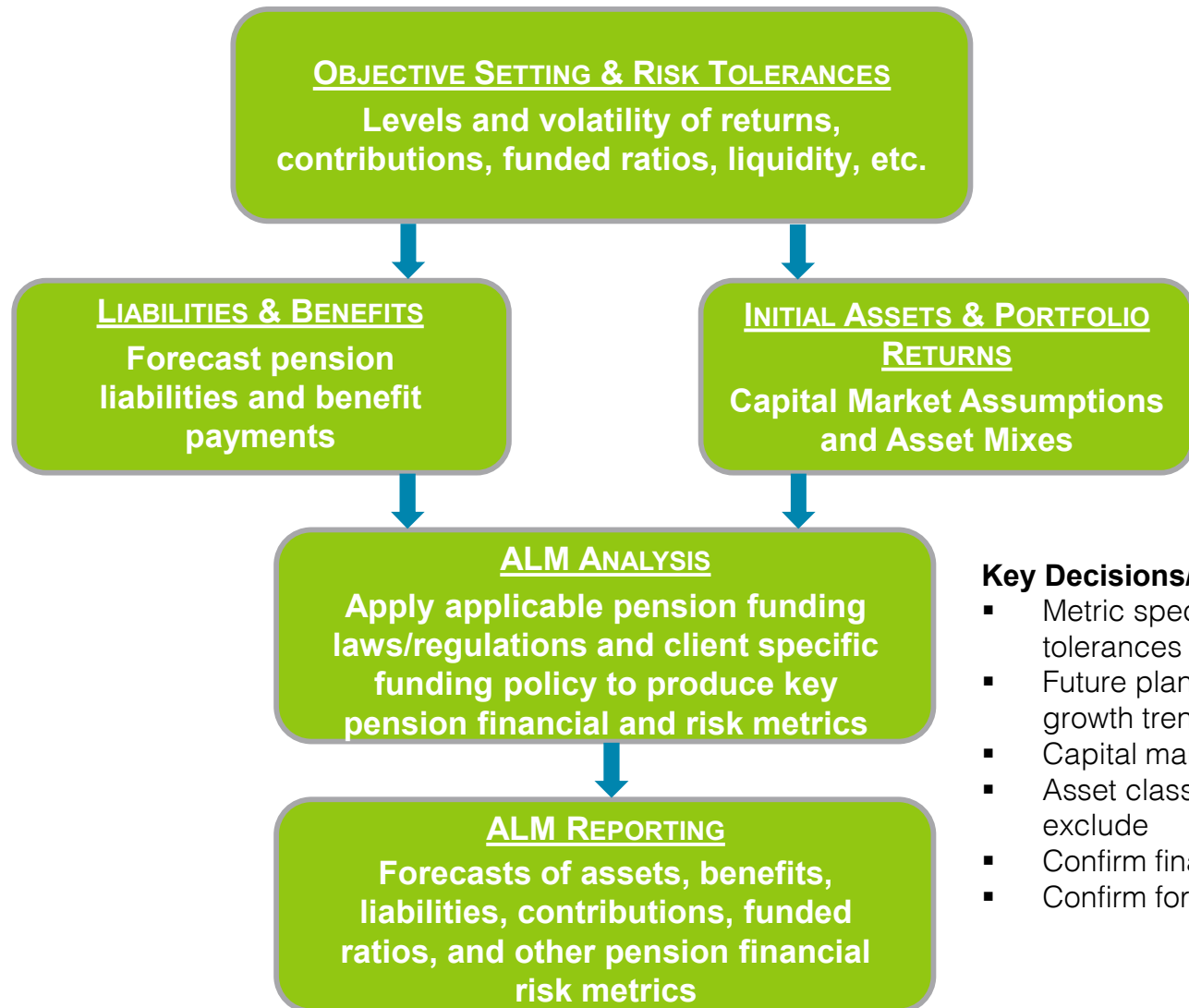
- Monte Carlo simulations and scenarios
- Human overlay

- 5. Select an appropriate target asset allocation policy**



ALM Modeling Process Flow

- The ALM model will first forecast liabilities, benefits, and portfolio returns. Then it will apply client funding policies and relevant pension regulations to forecast assets and other key financial and risk metrics.



Key Decisions/Inputs

- Metric specific objectives and risk tolerances
- Future plan population profile and growth trend
- Capital market assumption set(s)
- Asset classes to specifically include or exclude
- Confirm financial metrics
- Confirm forecast time horizons

IPS Development

IPS Requirements and Portfolio Needs

Fund characteristics & spending policies

Liquidity requirements

Time horizon

Investment return objectives

Board Education and Discussion

Fiduciary responsibilities

Portfolio construction

Asset classes

Governance and monitoring

Board and Consultant sentiment

Develop and Implement New IPS

Capital Market expectations

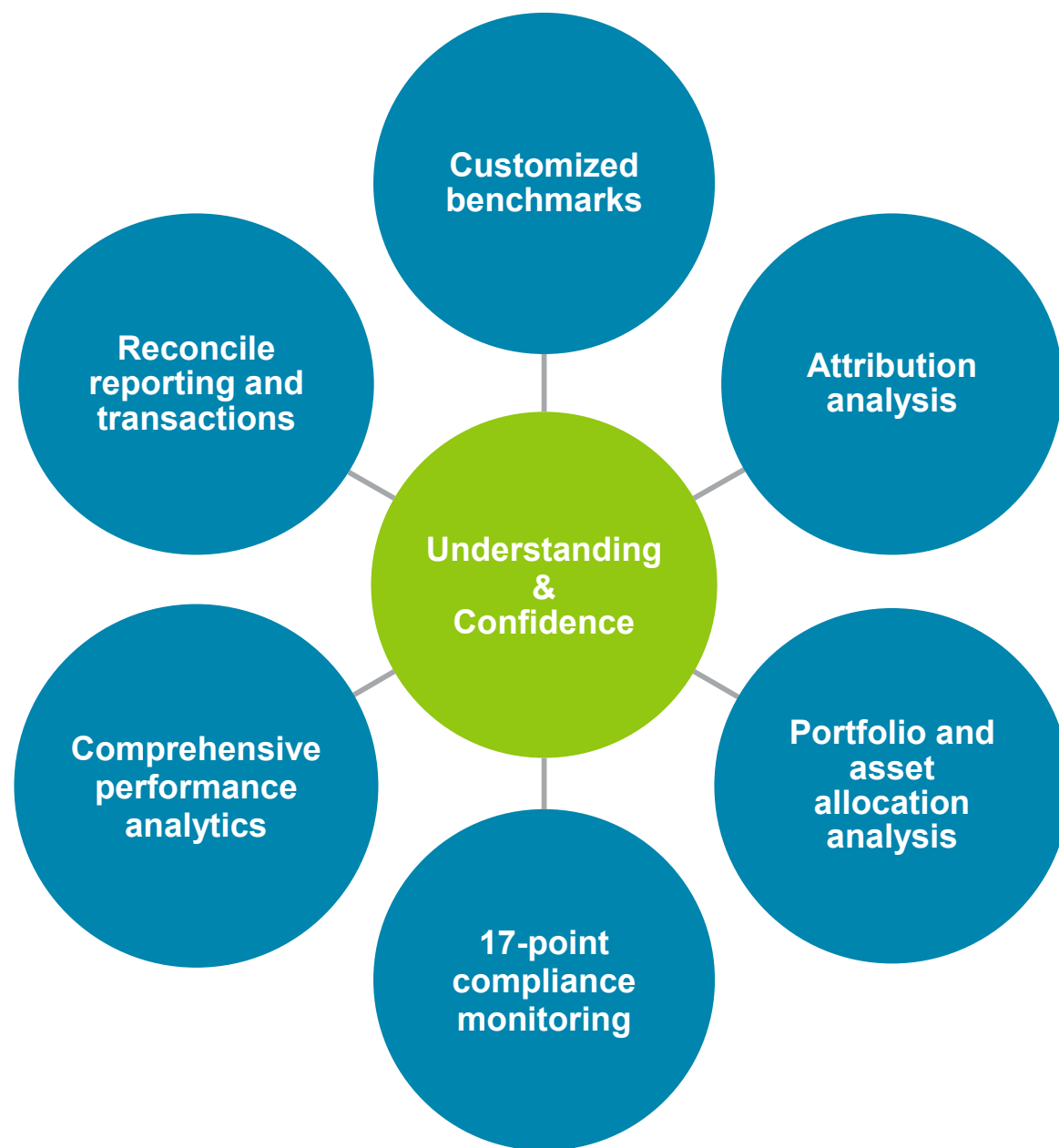
Strategic asset allocation

Rebalancing

IPS and manager compliance monitoring


Board and vendor expectations

Compliance/Reporting Process



Reporting Flow Chart





PORTFOLIO OBSERVATIONS

Fresh Perspective - Active Implementation From Day One

- Review all existing managers for risk, duration, overlap, quality.
- Review all management contracts, negotiate fees, confirm Most Favored Nation status if in place.
- Review custodians.
- Review and work in tandem with current Actuary Review and Update IPS.
- Tie pacing schedule of Private equity into ALM Study.
- Understand liquidity needs in full.

**Source: Tulare County Employees' Retirement Association Investment Policy Statement dated 8/26/2020, Performance Report dated 9/30/2020, Actuarial report dated October 2020. Initial observations should not be construed as exhaustive or guaranteed. They are provided for informational purposes only and not intended as investment advice or formal recommendations.*

Preliminary Portfolio Observations

Retirement Association's Current Statistics*

- **89.1% funded**
- **7.00% actuarial interest rate assumption**
- **Cashflows:**

Unfunded Actuarial Liability (UAL) June 30, 2020

Costs

Liability Experience	\$5,587,388
Assumption/Method Changes	\$42,435,148
Total	\$48,022,536

Contributions

Municipal and Employee Contributions	(\$1,439,104)
Total	(\$1,439,104)

Experience Loss (Gain)	\$15,576,636
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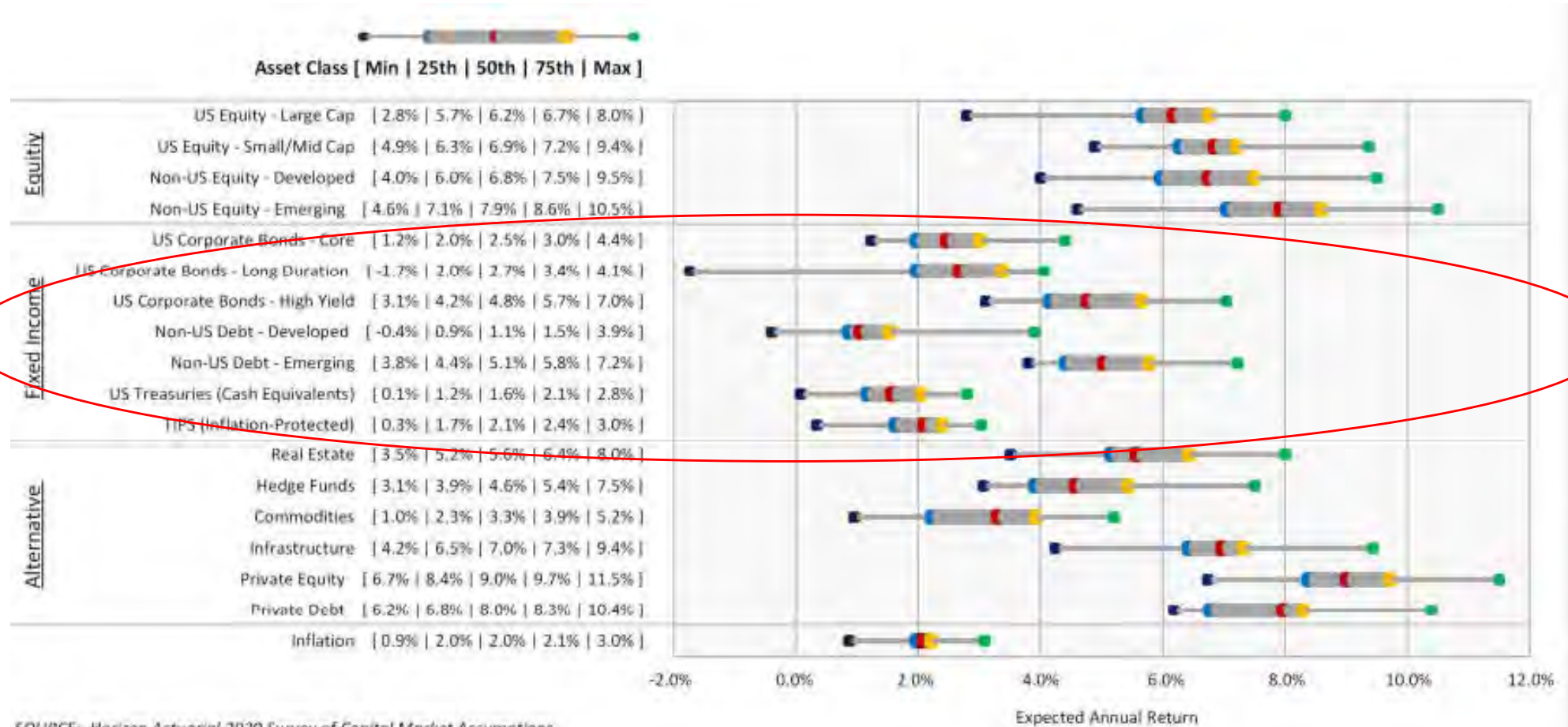
Net Change in Actuarial Accrued Liability	\$62,160,068
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Negative Cash Flow	2.3% of assets
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**Source: Tulare County Employees' Retirement Association Actuarial Valuation Report dated October 2020. Initial observations should not be construed as exhaustive or guaranteed. They are provided for informational purposes only and not intended as investment advice or formal recommendations.*

Asset Classes to Consider

10-Year Expected Return Ranges (Geometric Assumptions) Long-Term Survey Respondents - 39 Assumption Sets



SOURCE: Horizon Actuarial 2020 Survey of Capital Market Assumptions
Expected returns are annualized over 10 years (geometric).

Allocating to new asset classes can potentially increase the expected return or decrease the expected volatility of the portfolio.

This contains estimates and projections which are inherently speculative and subject to various uncertainties whereby the actual outcomes or results could differ materially from those indicated.

Preliminary Portfolio Recommendations – Achieving 7%



- Increase International exposure
- Decrease domestic equity overweight to target
- Add dedicated Active Emerging Markets
- Increase Private Equity
- Reduce Real Estate, add Opportunistic Real Estate
- Add Infrastructure with reduction to domestic fixed income (bond bear market)
- Barbell Investment Grade and Government Bonds
- Add 1% target to Cash for liquidity, capital calls and opportunity.

**Source: Tulare County Employees' Retirement Association Investment Policy Statement dated 8/26/2020, Performance Report dated 9/30/2020, Actuarial report dated October 2020. Initial observations should not be construed as exhaustive or guaranteed. They are provided for informational purposes only and not intended as investment advice or formal recommendations.*

Potential Portfolio Allocation Enhancements

Asset Class	Benchmark	Current	Target	Suggested
Domestic Equity	Russell 3000	27.8	25/20	20
International Equity	MSCI ACWI Ex US	16.3	15/20	17.5
<i>Dedicated Active EM</i>	<i>MSCI EM</i>			5
Global Equity	MSCI ACWI Gross	3.6	3	0
Private Equity	Russell 3000 +3%	4.4	5	7.5
Global Fixed Income	JPM GBI Global TR USD	5.3	5	5
International/EM Debt	50/50 JPM EMBI Global/EM Global	4.9	5	5
Domestic Fixed Income <i>Active</i>	BBgBarc US Agg <i>Barbell for liquidity Active</i>	18.9	17	14
Private Credit	BC High Yield +2%	4.9	5	5
Real Estate	NCREIF ODCE	10.9	20	10
<i>Opportunistic RE</i>	<i>NCREIF ODCE</i>	<i>0</i>	<i>0</i>	5
<i>Infrastructure</i>	<i>Barclays Capital US TIPS Index</i>	<i>0</i>	<i>0</i>	5
<i>Opportunistic/Other/Hedge Funds</i>	<i>T Bills + 5%</i>	<i>0.3</i>	<i>0</i>	0
<i>Cash</i>		<i>2.7</i>	<i>0</i>	1

*Source: Tulare County Employees' Retirement Association Investment Policy Statement dated 8/26/2020, Performance Report dated 9/30/2020, Actuarial report dated October 2020. Initial observations should not be construed as exhaustive or guaranteed. They are provided for informational purposes only and not intended as investment advice or formal recommendations.

Manager Suggestions

- Develop a more consistent vintage year to private equity, Diversify by style and risk (early/late stage, buyouts, secondaries, etc.).
- Focus on Positive Alpha
 - QMA – On Watch
- Templeton Global Plus
 - Returns versus positive alpha?
 - Watch to seek alternatives to termination (current AndCo status)
 - Benchmark appropriate?
- Diversify Private Credit manager allocation
 - Manager concentration in a higher risk asset class should be mitigated with more than one manager

**Source: Tulare County Employees' Retirement Association Investment Policy Statement dated 8/26/2020, Performance Report dated 9/30/2020, Actuarial report dated October 2020. Initial observations should not be construed as exhaustive or guaranteed. They are provided for informational purposes only and not intended as Investment advice or formal recommendations.*

IPS Review and Suggestions

- We agree to all of the Duties of the General Investment Consultant as outlined in the IPS and will guarantee our service with a 1-year money back guarantee.
- Update Appendix after AA/ALM study with new targets
- Update Performance Report
 - 9/30/2020 report does not match allocation to Domestic and International equity (25/15 in the IPS versus 20/20 in the report).
 - Update policy benchmarks and report.

**Source: Tulare County Employees' Retirement Association Investment Policy Statement dated 8/26/2020, Performance Report dated 9/30/2020, Actuarial report dated October 2020. Initial observations should not be construed as exhaustive or guaranteed. They are provided for informational purposes only and not intended as investment advice or formal recommendations.*

IPS Review and Suggestions

- Commission Recapture language:

AndCo will review any existing and potential uses of Commission expenses and recapture as we agree it is an asset of the Plan.

“Maintain average commission levels on listed trades of four cents or less.... and 20 basis point or less for international managers. (This does NOT reflect the current trading environment)”

- Suggest the following:

While commission recapture programs have the potential for the client to recapture some of their portfolio's explicit commission costs, we believe “best execution” of trading activity by an investment manager goes well beyond explicit commission costs. Further, we believe when commission recapture programs are implemented, they should be voluntary with no trading allocation targets. However, since clients have the fiduciary responsibility to monitor and only pay reasonable plan expenses, we do advocate for the establishment of a written best execution policy for the portfolio and its underlying investment managers. This best execution policy reinforces that investment managers should seek best execution, subject to their internal policies, through their established brokerage trading houses, electronic trading platforms and recapture brokers. It further states that best execution includes, but is not limited to, the net effect of commissions paid, market impact, timeliness of transaction and opportunity cost. This written best execution notification would also provide investment managers with the details of any voluntary commission recapture programs put in place by the client along with trade reporting and monitoring requirements.

**Source: Tulare County Employees' Retirement Association Investment Policy Statement dated 8/26/2020, Performance Report dated 9/30/2020, Actuarial report dated October 2020. Initial observations should not be construed as exhaustive or guaranteed. They are provided for informational purposes only and not intended as Investment advice or formal recommendations.*

Fee Analysis

- Manager Fees:
 - AndCo will review all contracts, enforce Most Favored Nation clauses, Consider CIT's where applicable and use AndCo related AUM to reduce fees where applicable
- Custodial Fees
 - AndCo will review Custodial agreements and assist in negotiating fees, searches if necessary, as part of our retainer.

**Source: Tulare County Employees' Retirement Association Investment Policy Statement dated 8/26/2020, Performance Report dated 9/30/2020, Actuarial report dated October 2020. Initial observations should not be construed as exhaustive or guaranteed. They are provided for informational purposes only and not intended as Investment advice or formal recommendations.*



FEE PROPOSAL & TRANSITION PLAN

Annual Fee

Year 1-5

\$235,000

Our all-inclusive fee includes all services offered by our firm.

- Asset allocation consulting
- Investment Policy Statement development/review/maintenance
- Efficient frontier modeling and optimization
- Manager Research
- Comprehensive manager searches
- Alternative investment searches
- Style analysis
- Fee negotiation with investment managers and custodians
- On-going monitoring
- Comprehensive monthly and quarterly performance reports
- Attending meetings
- Trustee educational sessions
- Fee audits
- Travel / out-of-pocket expenses
- Service back guarantee

Key Strengths and Competitive Advantages

INDEPENDENCE – No Competing Lines of Business, No Industry Relationship or Partnership

✓ **REINVESTMENT – 100% of profits reinvested to enhance infrastructure – e.g. research/technology**

✓ **CUSTOMIZATION – AndCo is built to provide custom solutions for our institutional clients**

✓ **FOCUS – Extensive Public Fund experience (Over 60% of our business)**

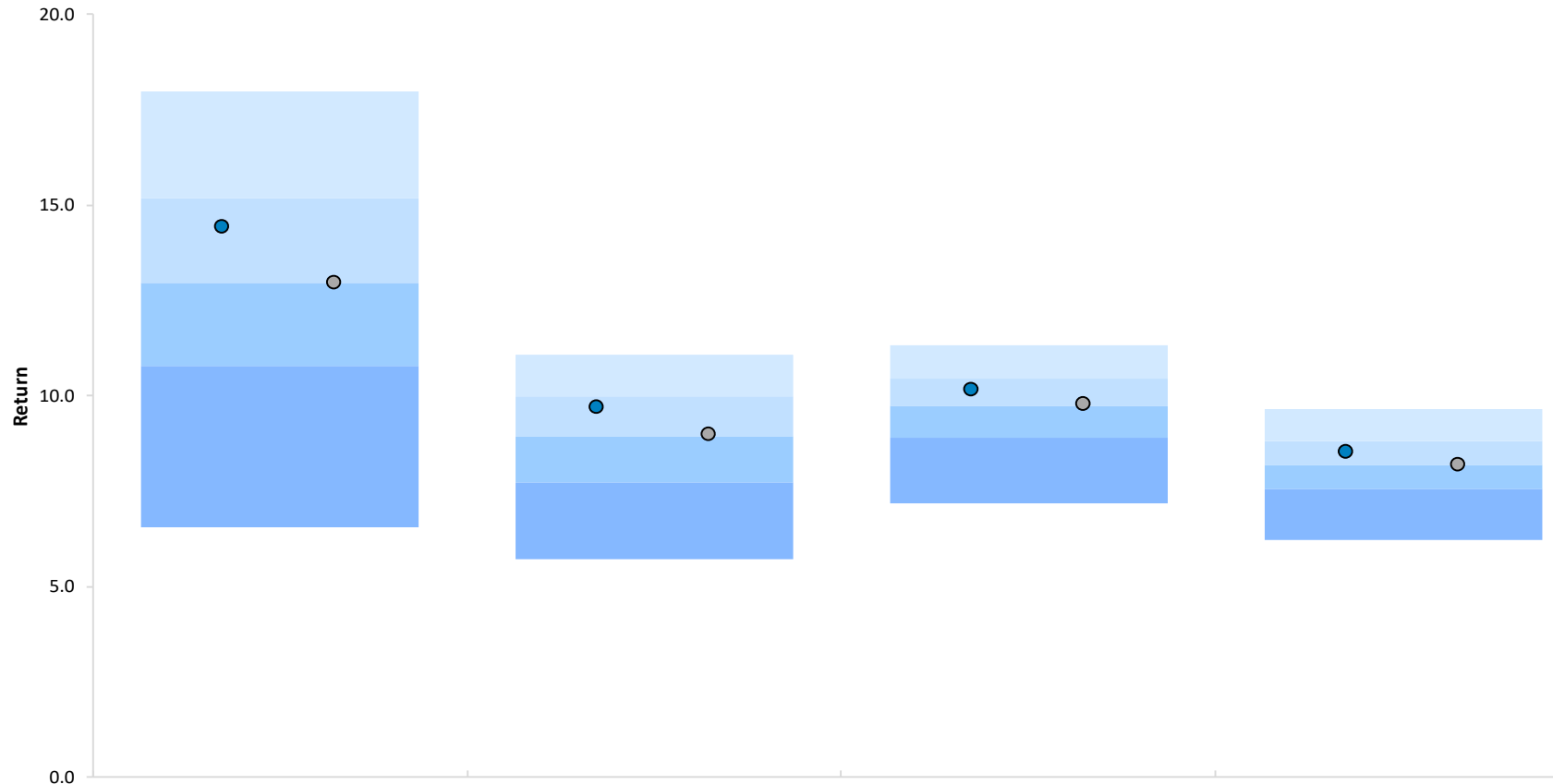
✓ **PASSION – We love what we do**

✓ **SERVICE BACK GUARANTEE**

AndCo All Public Plans Performance – Annualized Periods

As of December 31, 2020

All Public Plan Sponsors vs. AndCo Public Plans



	1 Year	3 Year	5 Year	10 Year
● AndCo Public Plans Median	14.39 (35)	9.66 (31)	10.12 (35)	8.49 (36)
○ All Public Plan Sponsors Median	12.94 (50)	8.96 (50)	9.74 (50)	8.18 (50)
5th Percentile	17.97	11.09	11.33	9.66
1st Quartile	15.17	9.98	10.43	8.81
Median	12.94	8.96	9.74	8.18
3rd Quartile	10.80	7.72	8.91	7.57
95th Percentile	6.57	5.73	7.18	6.22
Universe Population	743	704	677	562

Important Note: Performance is shown gross of AndCo advisory (consulting) fees, but net of fees for 3rd party investment manager separate accounts and mutual funds. Please see additional important disclosure information included at the end of this exhibit. This document is intended solely for the recipient and distribution to other parties or the public is prohibited.

Transition Timeline

Introduction & Data Collection

0 to 30 Days

- AndCo will set up an introductory conference call to introduce the service team and outline the transition process.
- AndCo will provide the “New Client Package” informational request form.
- The Client will return the “New Client Package” to AndCo.
- AndCo will draft sample notification letters for the client to send to all relevant parties.
- Once notifications have been sent, AndCo will begin collecting data from the prior consultant/custodian, investment managers, and other providers.

Portfolio Review

30 to 60 Days

- AndCo will input the Client’s performance history into our performance application database.
- AndCo will review the Client’s current investment policy statement.
- AndCo will discuss the policy with the Client and determine if any adjustments are necessary.
- AndCo will review the managers in the Client’s portfolio. All managers will be required to go through the due diligence process.

Implementation

60 to 90 Days

- AndCo will generate the Client’s performance report with the most current quarter data.
- AndCo will present the performance report and provide an opinion on the structure and managers.
- Managers targeted for retention will undergo negotiations for use of new managed accounts or fund vehicles.
- AndCo will provide proposed changes to the investment policy statement, if necessary.
- AndCo will provide recommendations and suggested plan for implementation.

Timelines are estimates and will vary based on the individual circumstances of each client and response times of their investment managers and service providers.

Client On-boarding Process

Process & Procedures:

The On-boarding Checklist will serve as a way of measuring the progress of the onboarding process. Once a client has hired AndCo, the Client On-boarding Team “COBT” will begin the internal setup by creating the folders on the server to file information as it is created and received.

- **Sending the Welcome Package** – The COBT will create a Welcome Package that includes letters and forms for the consultant to email the client administrator along with the AndCo agreement. A copy of this correspondence will be sent to onboarding@andcoconsulting.com. Once the Client Information Form and copies of letters have been received, the COBT will take control of the onboarding process.
- **Contacting Service Providers** – The COBT will contact managers, custodians and the prior consultant to begin collecting information. Managers will be requested to provide any missing agreements or Investment Policy Statements. Online access to statements from custodian banks will be established or added to existing User IDs. The prior consultant will be contacted for the most recent quarterly report and to provide the Historical Data Spreadsheet for them to complete.
- **Research Review of Managers** – The COBT will prepare a list of managers in the client’s portfolio and notify Research for review. The Research Group will provide feedback on all managers on the list.
- **Preparing Client Deliverables** – Once historical data is received it will be loaded into PARis and checked for accuracy. Quarterly report books will be constructed. Custodial accounts will be set up in the CAMBAK system to collect statements going forward.
- **Handing Over Responsibilities** – The consultant will be updated on the on-boarding process along the way. After the on-boarding process has been completed, the COBT will meet with the Consultant and Client Solutions Group member assigned to the client and hand over responsibilities.



SERVICE TEAM BIOGRAPHIES

Consulting Team Bios



Annette Bidart
Consultant

Annette has 34 years of experience in investment consulting to ERISA qualified and nonqualified plans, foundations, endowments and high net worth individuals. She works extensively with Plan Sponsors, supporting their defined benefit, defined contribution, and nonqualified plans, and Trustees of foundations, endowments and Trusts by designing customized solutions in the areas of administration, fiduciary oversight, investment policy and design, asset allocation, investment fund line and mapping strategies, investment monitoring, evaluation, provider searches, and total plan cost analysis.

Her responsibilities include optimizing investment portfolios, conducting investment manager due diligence reviews, evaluating and selecting investment managers, developing investment policy guidelines, rebalancing and/or mapping strategies and recommendations and delivering and analyzing performance-monitoring reports. Her clients are primarily located on the West Coast and the Mountain West States.

Prior to joining AndCo, she was Partner and Senior Consultant of Bidart & Ross prior to its acquisition by AndCo. Previously she worked at a major Wall Street brokerage firm's consulting division conducting performance evaluation, manager search and screening, and asset liability modeling.

Bachelor of Arts, Political Science & Spanish, University of Nevada-Reno

Consulting Team Bios



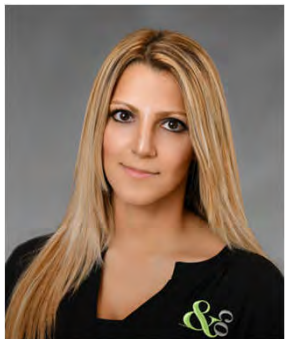
Michael Fleiner
Consultant

Michael has 28 years of experience as an investment consultant. He works extensively with Plan Sponsors, supporting their defined benefit, defined contribution, and nonqualified plans. He has extensive experience in designing customized solutions in the areas of fiduciary oversight, investment policy design, asset allocation modeling, investment menu design and overall plan administration. Other areas of experience include asset mapping strategies, investment monitoring and evaluation, provider searches, and cost analysis.

Previously, he was a Senior Consultant and shareholder at Bidart & Ross prior to its acquisition by AndCo. There he gained extensive experience in working with various boards and investment committees in establishing written investment policies, creating asset allocation strategies, selecting investment providers and monitoring investment performance and risk.

Bachelor of Science, Finance, University of Nevada-Reno
First Tee of Northern Nevada, Board Member

Consulting Team Bios



Misha Bell

Client Solutions Department

Misha's primary responsibilities include a comprehensive range of duties including but not limited to investment research, performance analysis, plan administration, compliance monitoring, and operational and administrative support.

Prior to her role in the Client Solutions Department, she was a Senior Performance Analyst with AndCo. Prior to joining AndCo, she worked at the UCF Foundation, as a Coordinator and Prospect Analyst.

Bachelor of Science, Biology, University of Central Florida

Master of Business Administration, University of Central Florida

CFA Institute Investment Foundations Certificate Holder

Presenting Team Bios



Steve Gordon
Partner

Steve is a Partner at AndCo Consulting. He works extensively with Plan Sponsors, supporting their defined benefit, defined contribution, and nonqualified plans by designing customized solutions in the areas of administration, fiduciary oversight, investment policy and design, investment monitoring, evaluation, provider searches, and total plan cost analysis.

Steve has 28 years of experience in benefits plan administration for both public and ERISA qualified retirement plans. Prior to joining AndCo Consulting, he was responsible for all areas of retirement, health and benefits administration for the Southeast and Mid Atlantic as a Principal at Mercer. He has also held leadership positions with Wachovia (Wells Fargo) and STI Capital Management (SunTrust), including Managing Director roles in both retirement and investment management. Steve is a frequent speaker at educational and industry conferences and has held several Committee and Board positions.

Bachelor of Science, Finance, University of South Florida

Graduate Trust Degree in Employee Benefits, American Bankers Association

Master of Business Administration, Rollins College Crummer Graduate School of Business

Disclosure – Universe Comparison

IMPORTANT DISCLOSURE INFORMATION

Source: Generated by Investment Metrics PARis ("PARis"). As of December 31, 2020. Performance is shown gross of AndCo advisory (consulting) fees, but net of fees for 3rd party investment manager separate accounts and mutual funds. Parentheses contain percentile rankings. Calculations based on quarterly periodicity. Past performance is not indicative of future performance. There is no guarantee that other clients will experience similar results. Provided for informational and illustrative purposes only and is not intended as investment advice, a formal recommendation, or in any way to be used as a basis for investment decisions.

This chart represents an equal-weighted median of quarterly total return performance calculations of certain AndCo plan clients (plan type subset as specifically defined on the referenced performance slide), hereafter referred to as "AndCo Plan Clients". The median number is the middle value in a sorted (ascending or descending) list of numbers. It is commonly used as a more descriptive and arguably more accurate measure of a data set versus an average (mean) as it is not skewed by large outliers. This means that material outliers (to the positive and the negative) would not be accounted for in this median representation. Additionally note, that although this represents most of AndCo's Plan Client universe, it may not be exhaustive in so far as it excludes defined contribution clients, and due to timing constraints surrounding the reporting of data within PARis, each time period could have inconsistencies, including those regarding client count composition. The ranges of returns are rather snapshots in time. For underlying constituent breakdown per time period, please refer to the performance slide itself under the row entitled "Universe Population." AndCo recommended the majority of the underlying investment strategies which comprise the portfolios of these plans, however, certain recommendations were not initially or originally made by AndCo. These recommendations were typically still reviewed by AndCo and not recommended for termination.

The comparison demonstrated is that of AndCo's Plan Clients against all similar plan-type Plan Sponsors in the PARis universe. This universe, while fairly comprehensive, is not exhaustive and does not include all Plan clients in the broader marketplace and is inclusive only of sponsors who affirmatively opt to have their data included. Investment Metrics is a leading provider of investment analytics and reporting solutions for the global institutional investment industry. Investment Metrics is an independent data provider and has no affiliations with AndCo. Comparison data includes plan assets which vary in investment style, objectives, and expenses. Asset allocation varies materially by plan which results in significant ranges among the data. Actual plan performance in the investment strategies and the periods depicted may be materially different and possibly lower than the performance data presented, due to various factors including: different rebalancing frequency and implementation, investment cash flows, cash balances, different management fees, varying custodian fees and transaction costs, different timing of fee deduction and other factors.

IMPORTANT FEE DISCLOSURES

Returns are presented gross of AndCo advisory (consulting) fees, but net of fees for 3rd party investment manager separate accounts and mutual funds. Such 3rd party managers charge their own asset management fees which vary widely depending on the client's size and circumstances. Gross of fee performance is also calculated before the deduction of various other fees, such as custodial fees. Returns include the reinvestment of dividends and other earnings into the plan. AndCo's advisory fees are described in our Form ADV Part 2A. The aforementioned fees will reduce clients' returns. As an illustrative example to demonstrate how such fees can reduce a client's return, the chart below depicts the effect of a 1% advisory fee on the growth of one dollar over a 10-year period at 10% (9% after fees) and 20% (19% after fees) assumed rates of return. The 1% advisory fee is being used for illustrative purposes only as a basic and comprehensible figure to demonstrate this reduction. AndCo's advisory fees range widely, may be fixed or variable, and vary by client depending on asset size, complexity and scope of services, and further, our fee is typically materially lower than this 1% illustrative example.

RETURN	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
10%	1.1	1.21	1.33	1.46	1.61	1.71	1.95	2.14	2.36	2.59
9% (i.e., -1% fee)	1.09	1.19	1.3	1.41	1.54	1.68	1.83	1.99	2.17	2.39
20%	1.2	1.44	1.73	2.07	2.49	2.99	3.58	4.3	5.16	6.19
19% (i.e., -1% fee)	1.19	1.42	1.69	2.01	2.39	2.84	3.38	4.02	4.79	5.69

For illustrative purposes only.

Important Disclosure Information

This document was created solely for the named recipient and is not intended to be reproduced or distributed to outside parties or the public. It is being provided for informational purposes and should not be regarded as investment advice or as a recommendation regarding any particular course of action. Additionally, it is not intended to provide, and should not be relied upon, for legal or tax advice.

Certain information is based on sources and data believed to be reliable, but AndCo cannot guarantee the accuracy, adequacy or completeness of the information. Presented data is correct to the best of our knowledge, however due to market movements, the data presented may be different than the most current data. Historical results shown represent past performance and do not represent expected future performance or experience. Past performance does not guarantee future results.

The source for all data, charts and graphs is AndCo Consulting unless otherwise stated. Some photographs in this presentation are redistributable under the Creative Commons license, while some are the property of AndCo.

All assets under advisement (“AUA”) indicated throughout this report are approximate and as of December 31, 2020. All other information and figures are valid as of the date of distribution, unless otherwise indicated, and will not be updated or otherwise revised to reflect information that subsequently becomes available, or circumstances existing or changes occurring after such date.

AndCo Consulting is an investment adviser registered with the U.S. Securities and Exchange Commission (“SEC”). Registration as an investment adviser does not constitute an endorsement for the firm by securities regulators nor does it indicate that the adviser has attained a particular level of skill or ability.

Clients first.



CHICAGO | CLEVELAND | DALLAS | DETROIT | ORLANDO | PITTSBURGH | RENO

AndCo Consulting | (844) 44-ANDCO | *AndCoConsulting.com*

Sample Primer
March 24, 2021

Active vs. Passive Investment Management: Overview & Discussion



For illustrative purposes. Managers shown in this report are for representative purposes only and are not intended to reflect specific recommendations for the recipient. Information included is valid as of the date indicated and not as of any future date.

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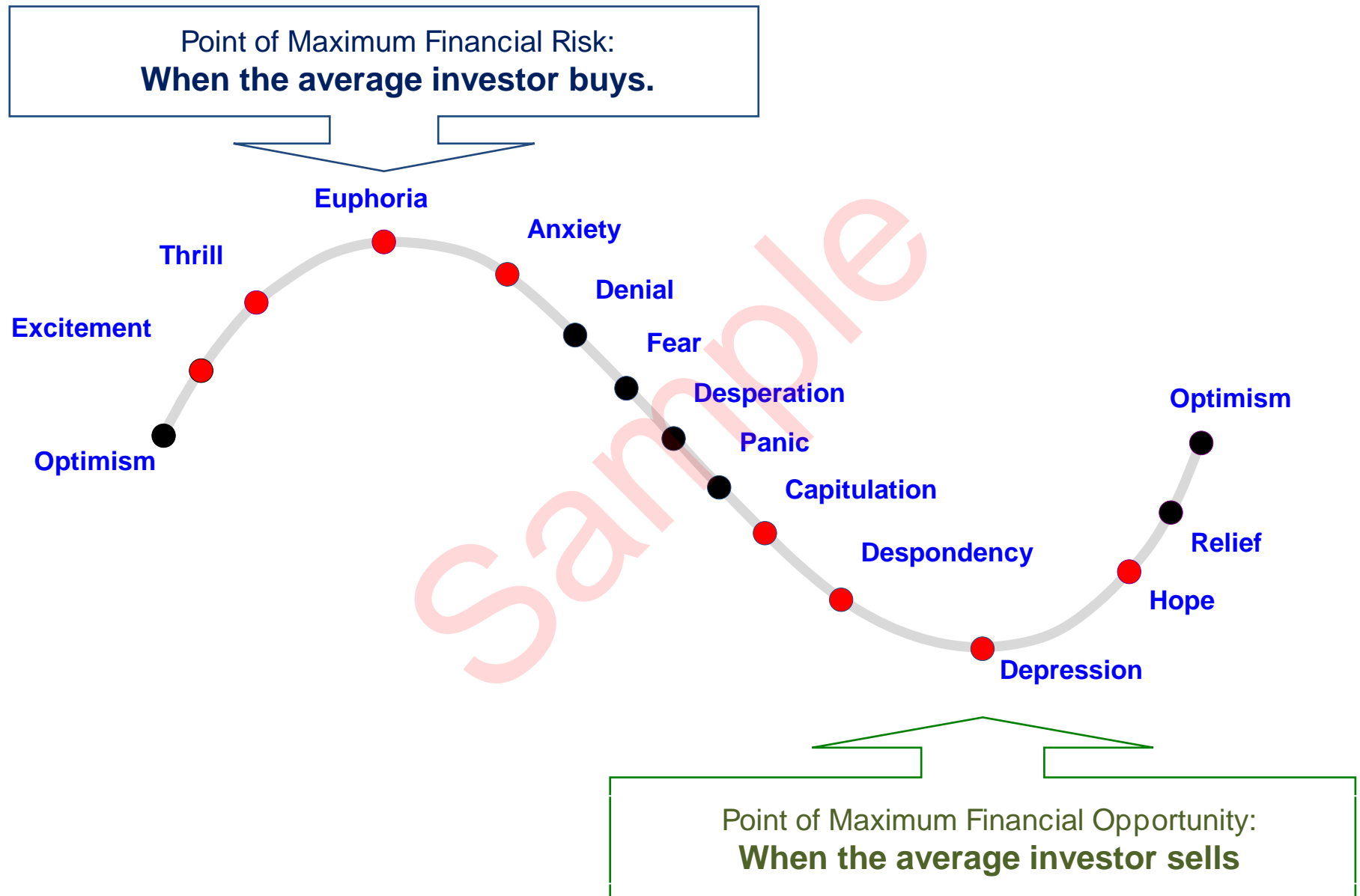
- I. Rational & Irrational Markets
- II. Defining Active & Passive Management
- III. Portfolio Construction and Efficiency Considerations
- IV. Appendix

Sample



RATIONAL AND IRRATIONAL MARKETS

Investor Market Psychology

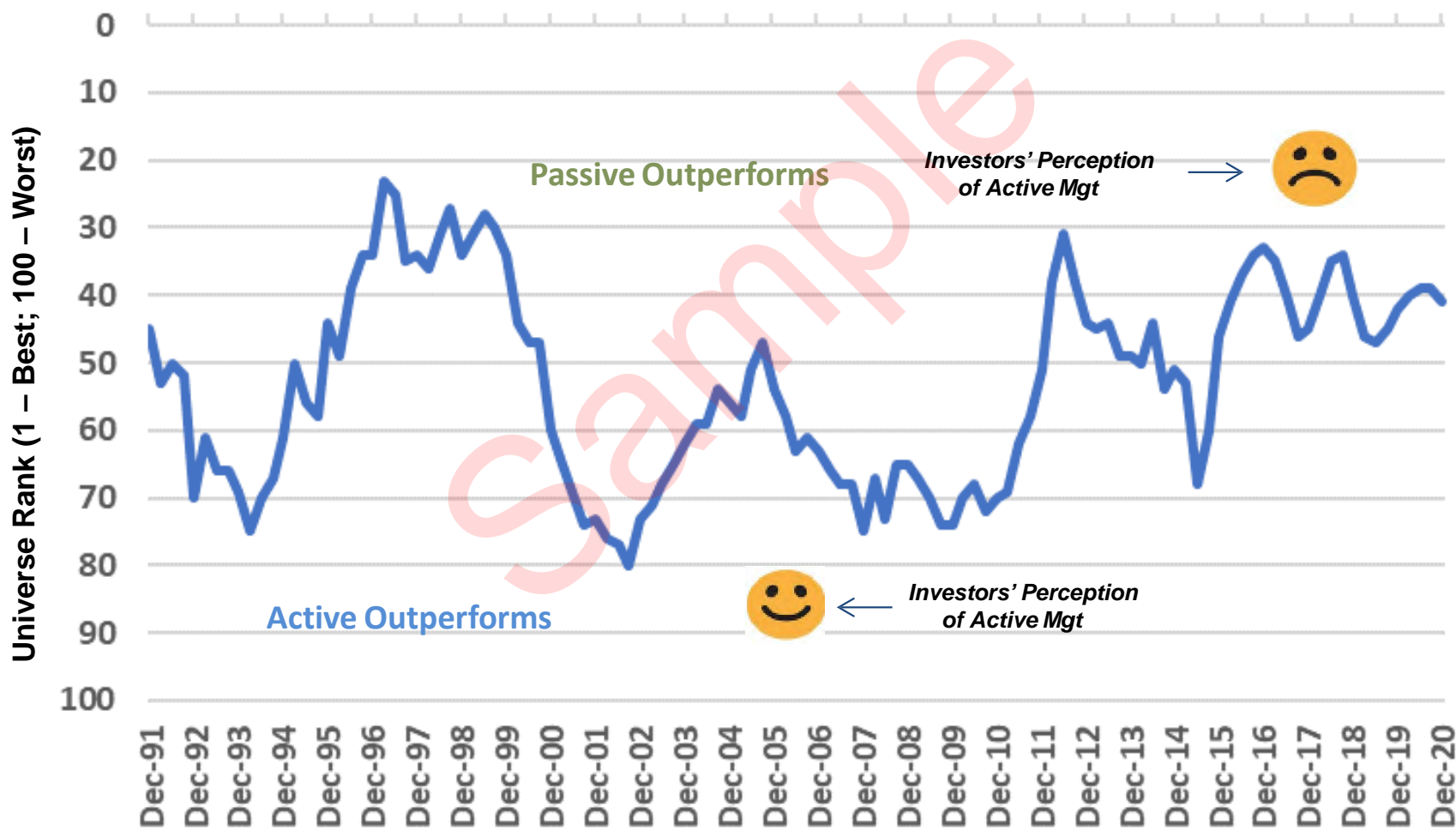


Active Vs. Passive Historical Perspective

THE DEBATE IS CYCLICAL.....

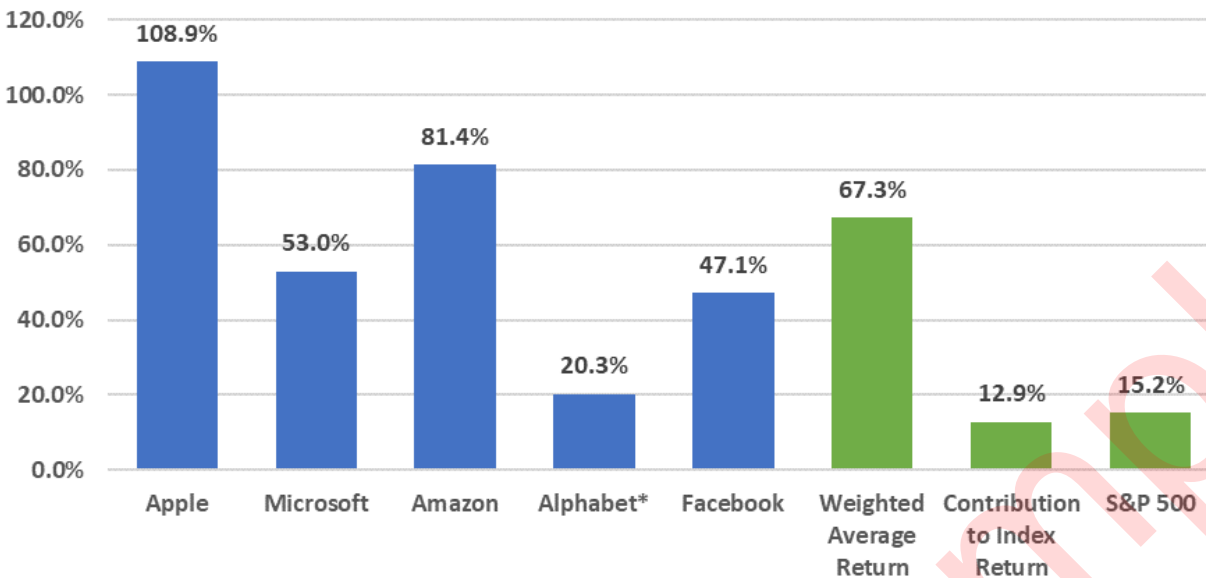
- On a rolling 3-year basis, since March 1991, active strategies have outperformed the S&P 500, on a net of fees basis, 51.6% of the time through December 31, 2020

S&P 500 Rolling 3-Year Return Rank in US Large Cap Universe



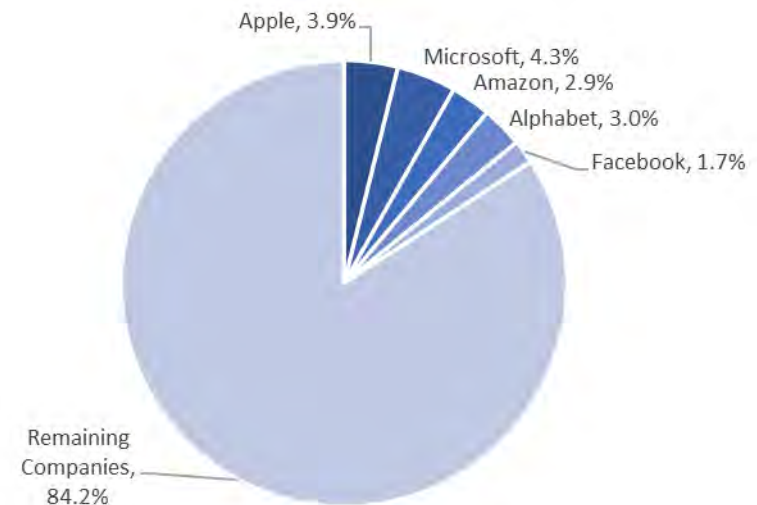
S&P 500 Index Concentration

1 -Year Return as of September 30, 2020



- As of September 30, 2020, Apple, Microsoft, Amazon, Alphabet, and Facebook represented a combined weight of **15.6%** in the S&P 500 index.
- The remaining **495** stocks in the index represented a combined weight of **84.2%**.

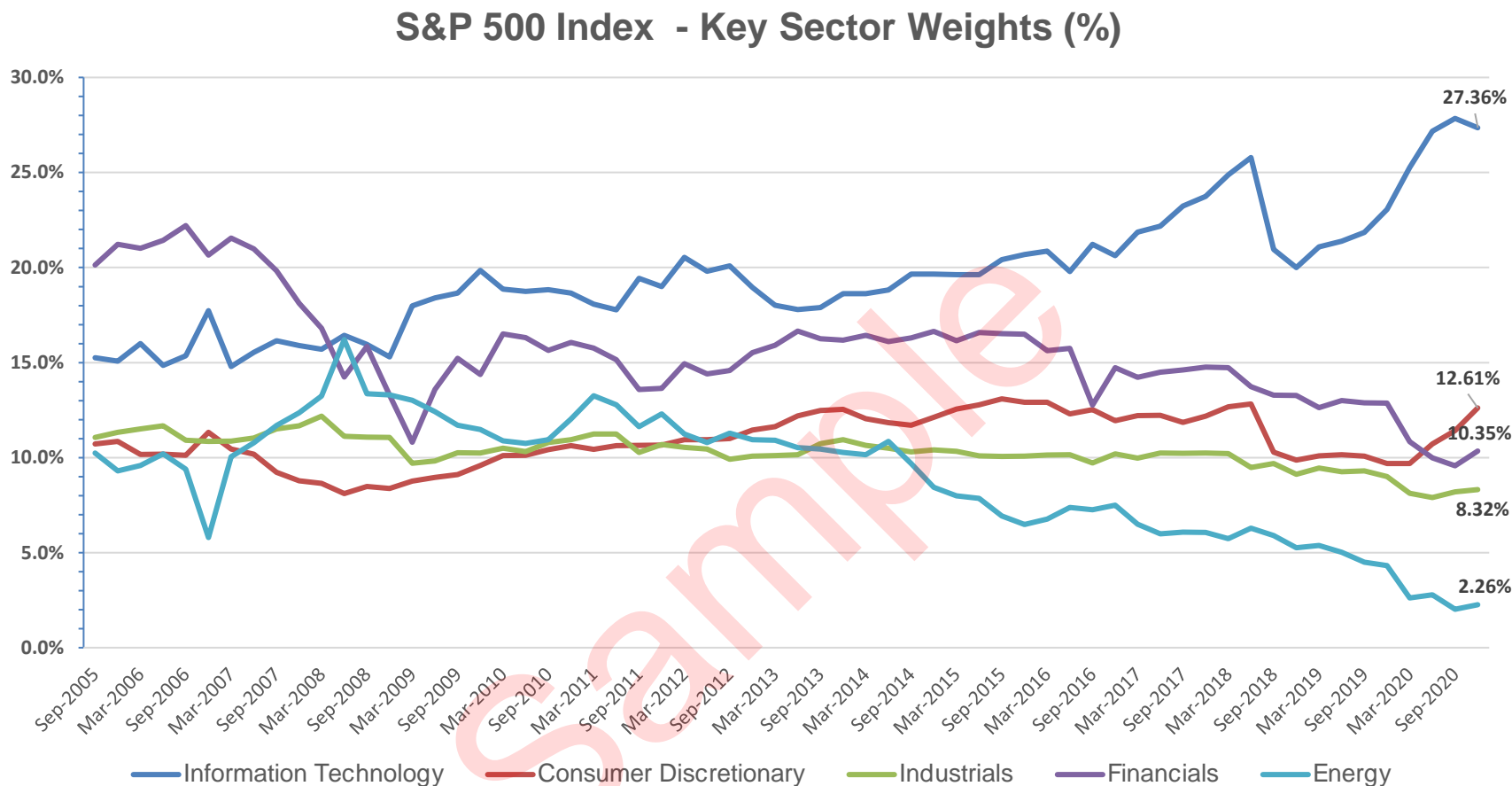
- As of September 30, 2020, Apple, Microsoft, Amazon, Alphabet, and Facebook were the 5 largest weighted stocks in the S&P 500 index.
- These 5 stocks represented a combined month-end average weight of **19.2%** in the index over the trailing 1-year period.
- These 5 stocks had a combined weighted average return of **67.3%** over the trailing 1-year period.
- These 5 stocks contributed a combined **12.9%** to the index's 1-year return of 15.2%.
- These 5 stocks were responsible for **85.1%** of the index's 1-year return.



*For the purposes of this illustration, the weights of the A and C shares of Alphabet were combined, and their annual returns were averaged. Source: Morningstar. Data as of September 30, 2020.

IMPORTANT DISCLOSURE INFORMATION: This presentation is provided for informational purposes only and should not be regarded as investment advice or as a recommendation regarding any particular course of action. Securities cited herein do not constitute an endorsement of or a recommendation to buy, sell or hold such securities. Information is based on sources and data believed to be reliable, but AndCo cannot guarantee the accuracy, adequacy or completeness of the information. The material provided herein is valid as of the date of distribution and not as of any future date and will not be updated or otherwise revised to reflect information that subsequently becomes available, or circumstances existing or changes occurring after such date.

Recent S&P 500 Gains Driven by Key Sectors



- Technology continues to be a large portion of the S&P 500 index as growth stocks led the market higher in recent years. Technology was 20% of the index as of December 2018, then 23.06% as of December 2019, and now 27.36% as of December 31, 2020.
- It is also interesting to note that if you include Consumer Discretionary, where tech companies like Amazon and Tesla reside, the index's tech exposure is even larger.
- The market cap weight of the index is skewed by a handful of large names. The average market cap of the index was \$88B as of December 2010 and now stands at \$475B as of December 2020.



DEFINING ACTIVE & PASSIVE MANAGEMENT

Defining Active and Passive Management

Active

- Investing in a portfolio that is concentrated in a fairly small number of securities with continuous reassessment of selection and timing issues.
 - Can be used for stocks and bonds, large cap and small cap, domestic and international.
- Portfolios created and traded to carry out manager's strategy.
- Possibility of:
 - Value added above an index.
 - Underperforming an index.
 - More/less volatility than that of an index.
- Has higher trading costs and absolute turnover rate than passive.
- Relatively high management fee – tends to be more labor intensive.
- Responsive to market cycles.
- Risk of style drift.
- Best used in markets where the opportunity for outperformance is greatest, i.e., small cap, international.

Passive

- Investing in an index fund – a large portfolio of securities designed to match the performance results of a standard index or customized benchmark.
 - Can be used for stocks and bonds, large-cap and small-cap, domestic and international.
- Can be broad market (S&P 500, Bloomberg Barclays Aggregate) or style tilt (Russell 1000 Value/Growth) indices.
- Returns should match the returns of an index.
 - Eliminates active management risk.
 - Accepts market or index level of volatility.
- Minimizes transaction costs; low absolute turnover rate and low relative trading costs.
- Low management fees – limited staff requirements relative to active management.
- Buy and hold strategy.
- No risk of style drift.
- Best used in markets where the opportunity for outperformance is smallest, i.e., large-cap, fixed income.

Defining Active and Passive Management

ACTIVE	
Strengths	Weaknesses
<ul style="list-style-type: none"> ✓ Potential for above market return ✓ Potentially more efficient portfolio than passive ✓ Opportunity to avoid market fads ✓ Can be critical in low-return environments ✓ Compounding positive relative returns can be powerful advantage over the long-term 	<ul style="list-style-type: none"> ✓ Higher Cost ✓ Difficult to identify managers who can consistently outperform ✓ Potential for periods of large underperformance ✓ Requires patience and long-term perspective ✓ Requires additional due diligence

PASSIVE	
Strengths	Weaknesses
<ul style="list-style-type: none"> ✓ Low Cost ✓ Implementation Efficiency ✓ Consistency of Returns (you “get the market”) ✓ Difficult to beat net of fees ✓ “Safe” choice for decision makers and plan sponsors 	<ul style="list-style-type: none"> ✓ Aggregate of the market ✓ No potential for excess return ✓ Cap weighted benchmarks are inefficient ✓ Subject to market fads ✓ Net of fees, typically underperform index it is tracking

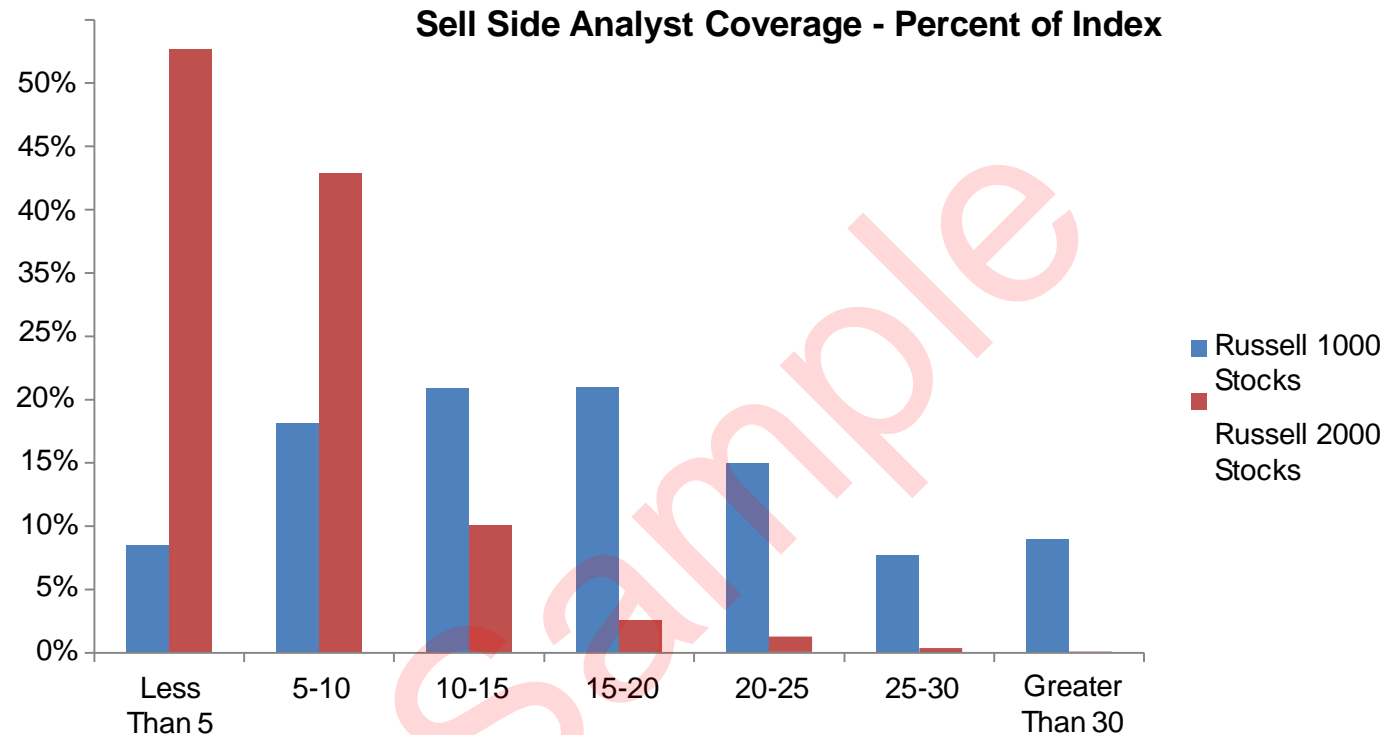
Active Vs. Passive - Observations

- Even though indexing has been around for over 30 years and is widely accepted, we cannot index every market. Markets for which indexed investment management is not available include:
 - *Hedge funds*
 - *Private equity (including private energy)*
 - *Private real estate*
 - *Real assets such as timber and infrastructure investing.*
- There are some markets for which perfect index replication is not possible.
 - Bond index funds
- Indexes are capitalization-weighted – the larger the market value of a security, the larger its share of the index.
 - Index funds only need to be rebalanced when securities are added or deleted from the index.
- Equal-weighted indexes are less common and typically not utilized for investment because of the significant trading costs implicit with such an approach.
- Fundamental indexes are a relatively new phenomenon in which a security's weight in the index is determined by fundamental factors such as book value, sales, cash flow and dividends.
 - Back testing has demonstrated that a fundamentally-weighted index outperforms a capitalization-weighted index.
 - Primarily attributable to an emphasis on value and small size.
- Active management is a zero sum game – for every winner there must be a loser.
- Active management demands patience – there will be times of underperformance.
- The relative success or failure of active management.
 - Active management has generally been rewarded.
 - Outperformance has generally been higher in small cap and international equities.

Why Do Active Managers Outperform or Underperform?

- **Stock selection and sector allocation**—Good and Bad decisions.
- **Management styles** (value/growth) **are cyclical** (and most managers are benchmark driven).
- **Market capitalization bias.**
- **Macro events**—government intervention, middle east political turmoil, Japanese earthquake, etc.
- **High quality vs. low quality bias.**
- **Quantitative vs. fundamental** portfolio construction techniques.
- **Human Emotion** of how investment decisions are made.

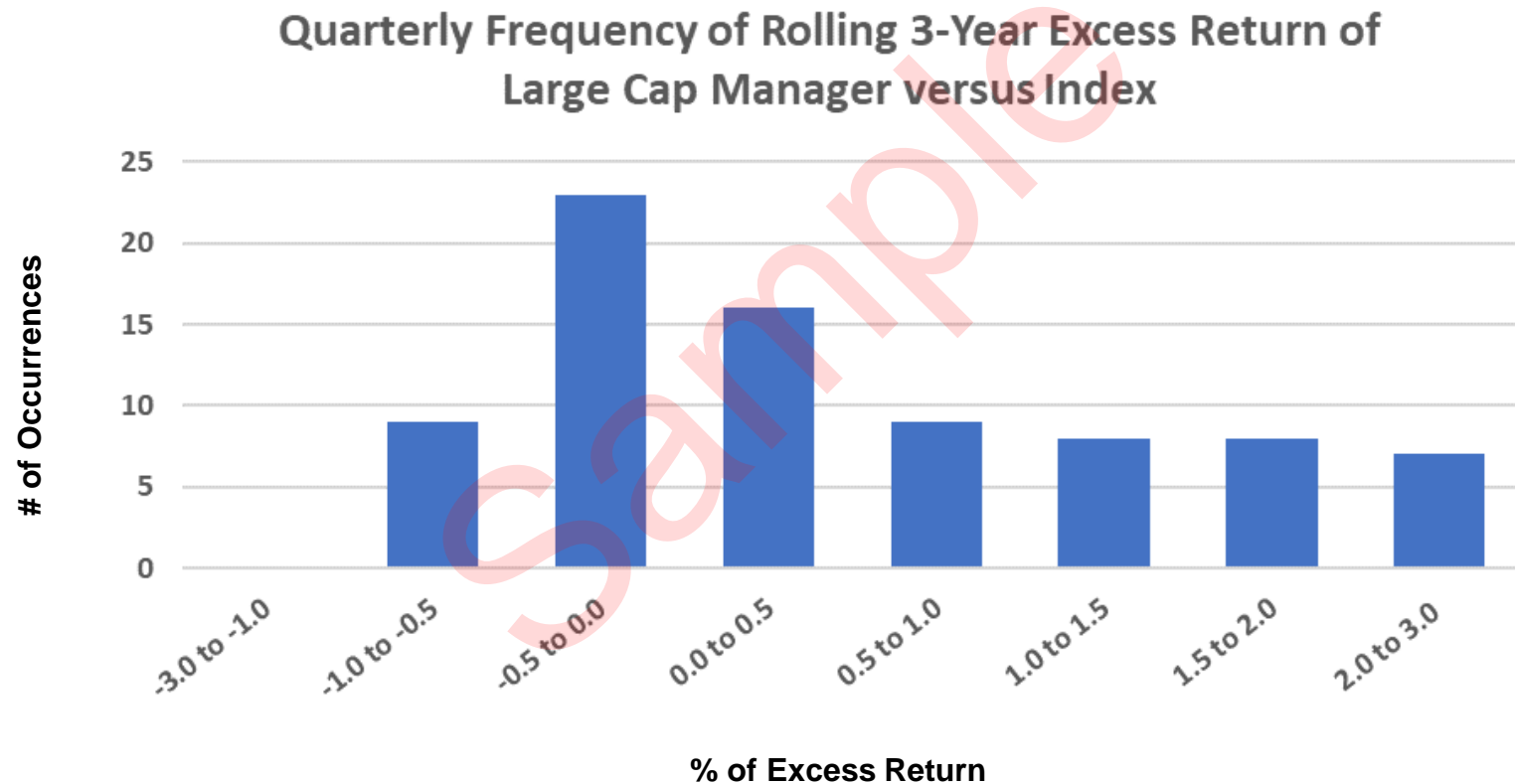
US EQUITY SELL SIDE ANALYST COVERAGE: LARGE VERSUS SMALL



- Historically, the median stock in the Russell 1000 Index has had less than 20 independent sell-side analysts providing an EPS estimate for the next 12-month period. Currently, the most noteworthy stocks in the index have as many as 44 estimates – Google 44, Tesla 34, Nike 32, Pfizer 20, Schlumberger 27, Facebook 49, Chevron 27, Apple 42, Salesforce.com 42, etc.
- Can that much investment value be created from the 42nd opinion on Apple?
- Coverage of small-cap stocks is dramatically lower, which is consistent with the less efficient, higher value-added reality of the asset class.
 - 85% of small cap names have less than ten analysts covering the stock.

Excess Return Consistency

From the first quarter of 2001 through December 31, 2020, large-cap equity managers have been able to consistently add value over their index



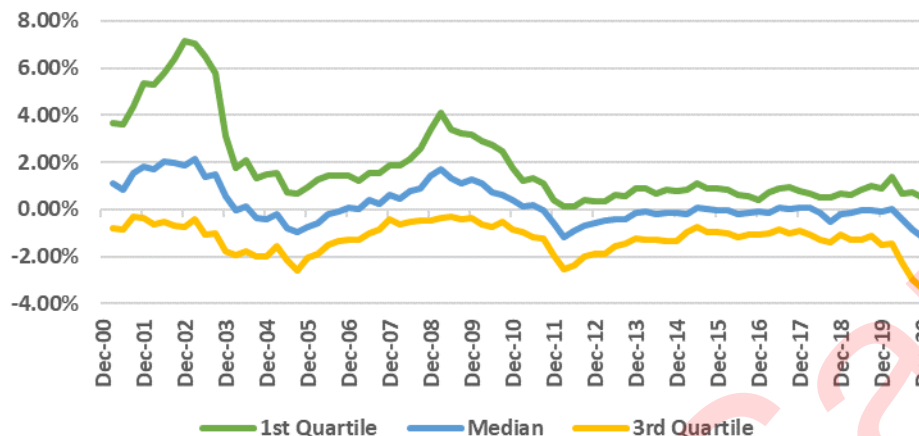
History of Excess Returns

INDUSTRY EXCESS RETURN CHARACTERISTICS: DOMESTIC EQUITY (AS OF DECEMBER 31, 2020)

Domestic Equity

Large Capitalization

Level of Over/Under Performance vs. Russell 1000 Over Three Year Rolling Periods



- The average return excess return of the top-quartile large-cap manager was **+1.86%**.
- The average return excess return of the median large-cap manager was **+0.22%**.
- The average return excess return of the bottom-quartile large-cap manager was **-1.23%**.

Small Capitalization

Level of Over/Under Performance vs. Russell 2000 Over Three Year Rolling Periods



- The average return excess return of the top-quartile small-cap manager was **+3.83%**.
- The average return excess return of the median small-cap manager was **+1.41%**.
- The average return excess return of the bottom-quartile small-cap manager was **-0.71%**.

Active Management Considerations

TAKEAWAYS REGARDING LARGE CAP ACTIVE MANAGEMENT

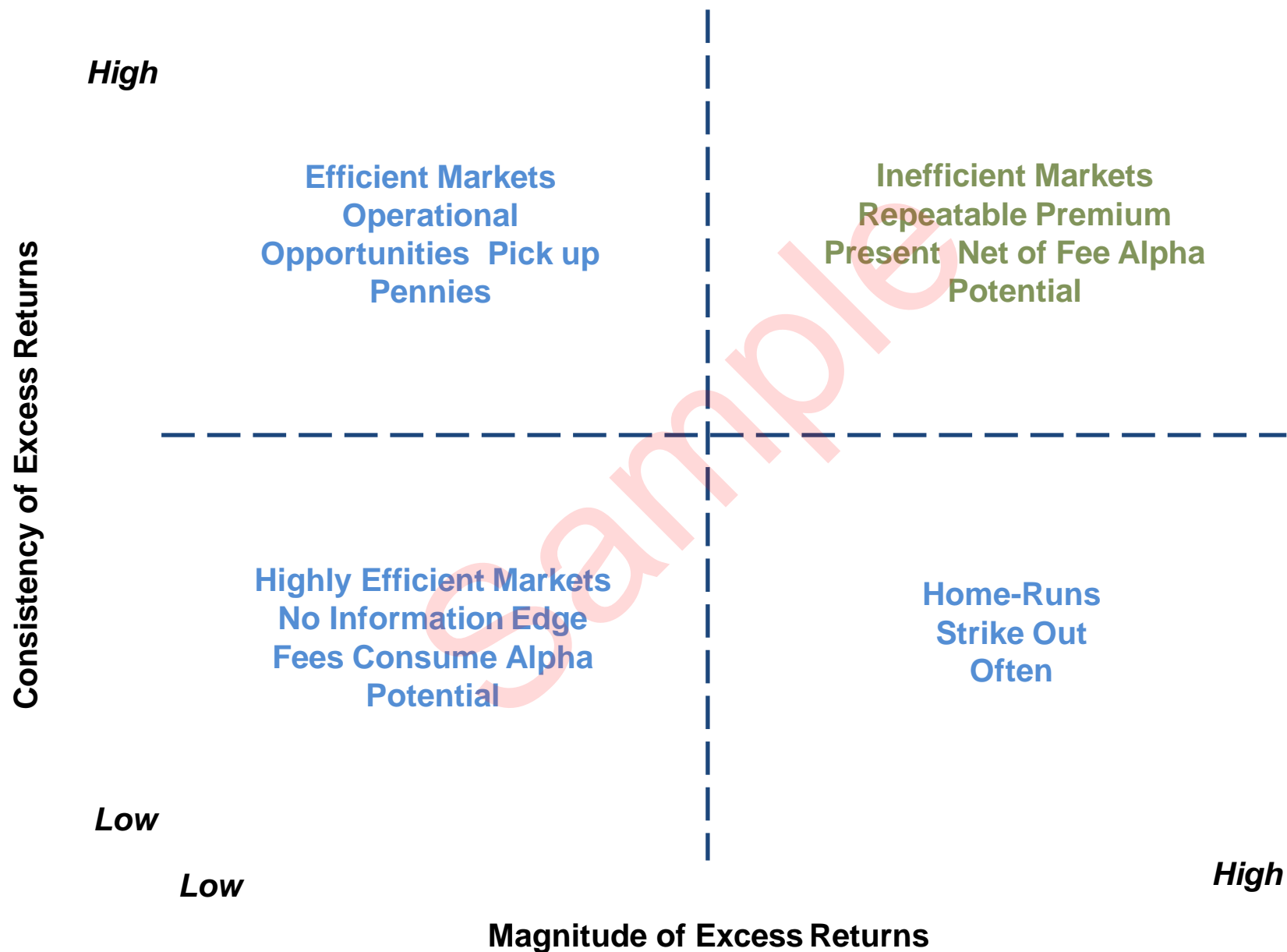
- Unless an investor is willing to embrace the following concepts in implementing an actively managed structure, *it will be destined to fail, and the default passive approach would have been preferable:*
 - **Patience:** A long-term time horizon is required. No manager can “get it right” all of the time. Tracking error goes both ways, and excess returns are lumpy in markets that are largely efficient.
 - Define acceptable tracking error for each manager to establish expectations
 - When manager underperforms – is it within tracking error expectations?
 - **Build a Portfolio of Managers with Diversified Style Biases.** If all strategies in the portfolio outperform during the same type of market environment, they will likely all underperform in a different type of market environment. Proper manager sizing and diversification across styles will allow for a portfolio structure that can weather challenging performance cycles.
 - **Avoid Reactionary Responses:** Simply put, chasing recent performance does not work.
 - **Rebalancing Can Be Additive to Performance.** If manager’s excess return expectations are well defined, mean reversion opportunities will present themselves. Taking money from outperforming strategies and giving it to underperforming strategies can only be implemented successfully if an understanding of when each strategy should and has added value is established up-front.



PORTFOLIO CONSTRUCTION & EFFICIENCY

Portfolio Efficiency

HOW DO WE DECIDE WHERE TO BE ACTIVE OR PASSIVE?



Efficient Capital Markets	Inefficient Capital Markets
<p>Investment Grade US Bonds Highly Traded US Stocks</p>	<p>High Yield and Intl Bonds Mid and Small Cap Stocks Developed & Emerging Intl Stocks Real Estate & Alternatives Assets</p>
<ul style="list-style-type: none">✓ Widely researched✓ Narrow investment universe✓ Large volume of securities traded<ul style="list-style-type: none">✓ Highly liquid market✓ Low transaction costs	<ul style="list-style-type: none">✓ Not as widely researched✓ Broad Investment Universe✓ Lower volume of securities traded<ul style="list-style-type: none">✓ Less liquid markets✓ Higher transaction cost

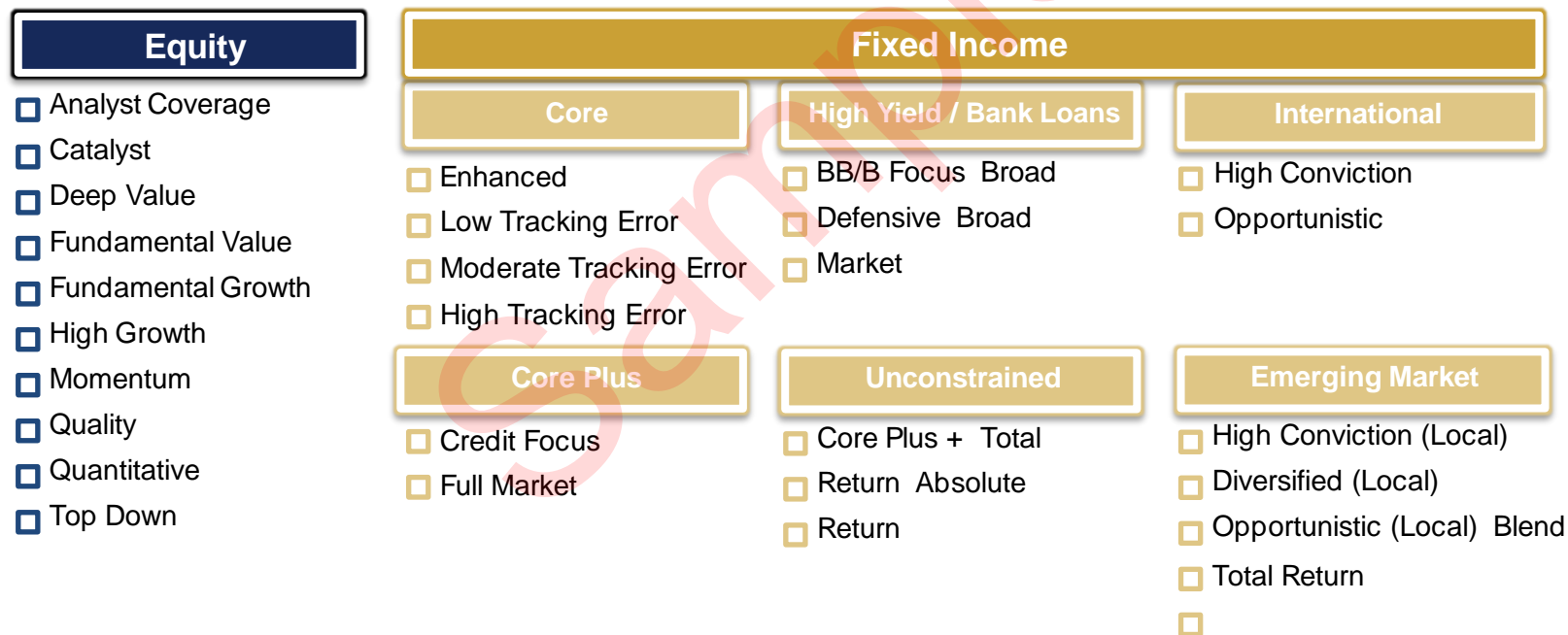
Building Blocks for Portfolio Construction

ASSET CLASS ACTIVE STYLE CLASSIFICATIONS

Within all asset classes, investment managers can rely on a singular approach to generate alpha or a blend of approaches.

Each style comes with its own risk-return profile that can be utilized to help optimize the use of active strategies where appropriate and meet the objectives of a client.

Active Style Classifications Enhance Manager Selection & Portfolio Construction



Active/Passive Implementation Spectrum

Passive

- Investment Goal – Track the desired benchmark.
- Pros – Provides low-cost exposure to desired asset class.
- Cons – Zero excess return potential and slightly negative excess return net of fees.
- Investment Case – Active management and manager selection in US large-cap is challenging and has historically gone through extended periods when it has been out of favor.
- Implementation Considerations – Minimize cost and tracking error and maximize liquidity.

Benchmark Aware

- Investment Goal – Beat desired benchmark while limiting tracking error.
- Pros – Potential excess return upside with limited risk of a blowup.
- Cons – Net of fee excess return is low compared to more active strategies.
- Investment Case – There have been a number of strategies that have produced very consistent levels of excess return while maintaining low tracking error through high diversification.
- Implementation Considerations – Fees matter a lot due to lower expected returns. Many strategies in this category don't explicitly come out and say that this is what they are doing. A large number of strategies in this category fail to outperform.

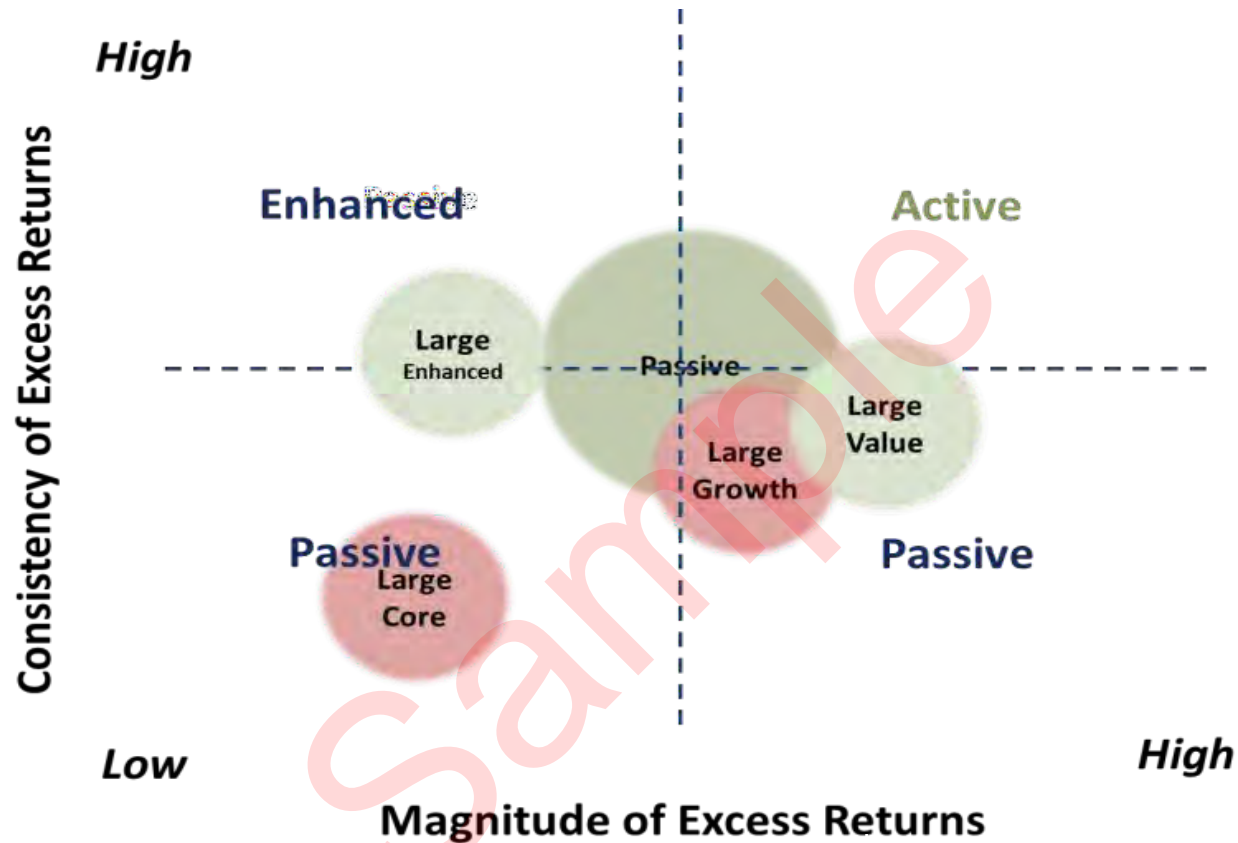
Very Active

- Investment Goal – Beat desired benchmark.
- Pros – High potential excess return.
- Cons – Excess returns are typically lumpy due to biased investment styles and tracking error is high.
- Investment Case – There have been a number of strategies that have been able to deliver very high excess returns when the strategy's style was in favor and kept up with their benchmark in other periods.
- Implementation Considerations – Hiring, firing, and reweighting these types of strategies at the right times is extremely important. Utilization of multiple strategies using different investment biases often produces higher risk adjusted returns than a single strategy.

Core/Satellite – utilizes a blend of approaches

Large Cap Portfolio illustration and Considerations

IMPLEMENTATION PREFERENCES



Analyst Coverage	Catalyst	Deep Value
Fundamental Value	Fundamental Growth	High Growth
Momentum	Quality	Quantitative
Top Down	Passive	

CHARACTERISTICS OF THE CURRENT PROGRAM

- Overall across plans:
 - Roughly 80% large cap exposure (20% small cap)
 - Roughly 75% active management utilized (25% passive) except for C&S which utilizes 100% active management.

Large Cap/Small Cap Mix

- **Police Pension Plan:** 79% Large Cap/21% Small Cap
- **Fire Pension Plan:** 80% Large Cap/20% Small Cap
- **C&S Plan:** 77% Large Cap/23% Small Cap

Active/Passive Mix

- **Police Pension Plan:** 73% Active/27% Passive
- **Fire Pension Plan:** 74% Active/26% Passive
- **C&S Plan:** 100% Active

US Equity Portfolios Across Plans

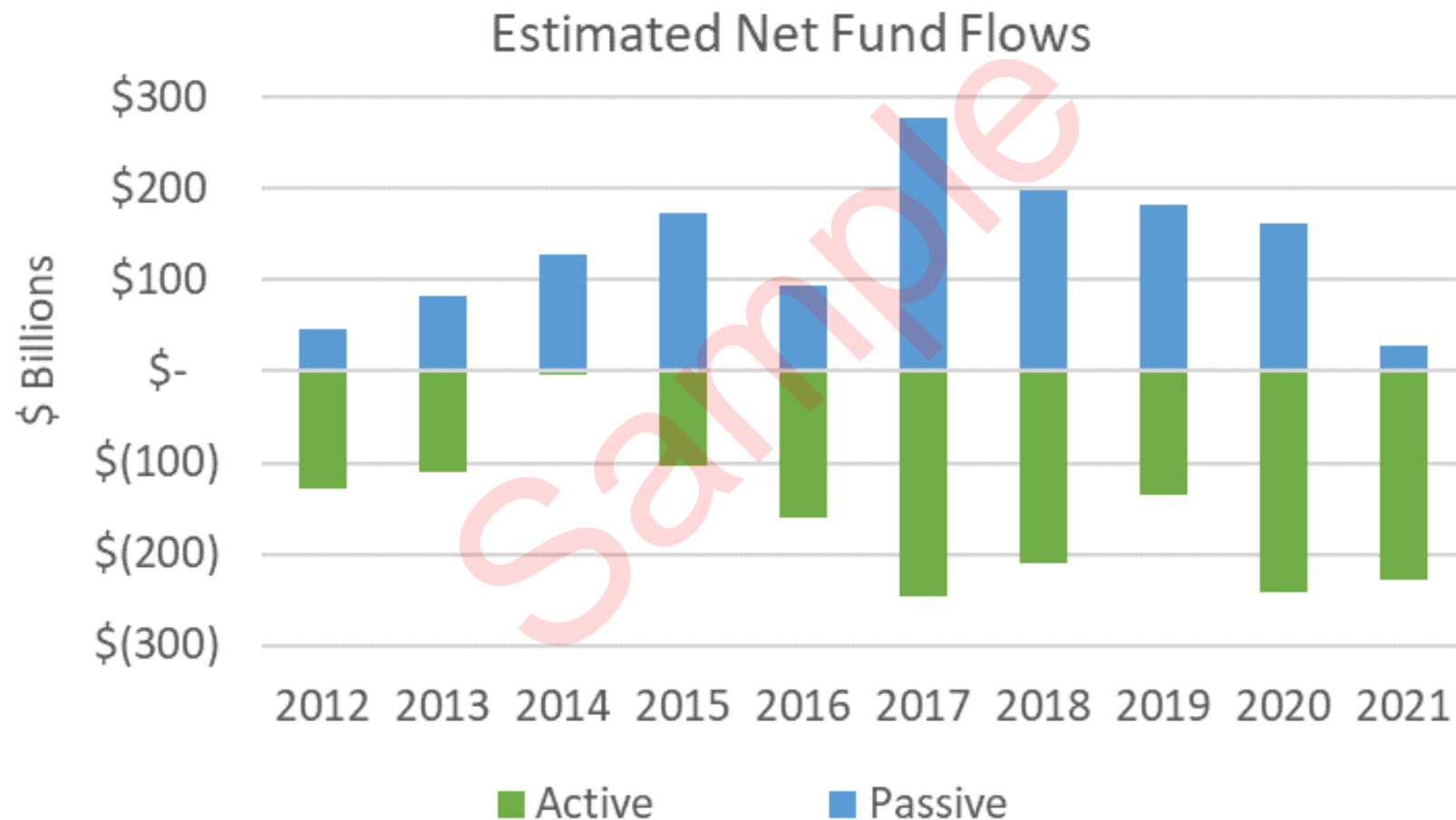
Manager	Asset Class	Active/Passive?	Portfolio Weights (2/28/2021)		
			Police Pension	Fire Pension	Comprehensive & Supplemental
SSgA	Large Cap Core	Passive	27%	26%	0%
Edgar Lomax	Large Cap Value	Active	12%	12%	34%
Barrow Hanley	Large Cap Value	Active	13%	14%	0%
Brown Advisory	Large Cap Growth	Active	27%	28%	43%
Kennedy Capital	Small Cap Value	Active	12%	11%	0%
Emerald Advisors	Small Cap Growth	Active	9%	9%	0%
Geneva Capital	Small Cap Growth	Active	0%	0%	12%
DFA	Small Cap Value	Active	0%	0%	11%
Total			100%	100%	100%



APPENDIX

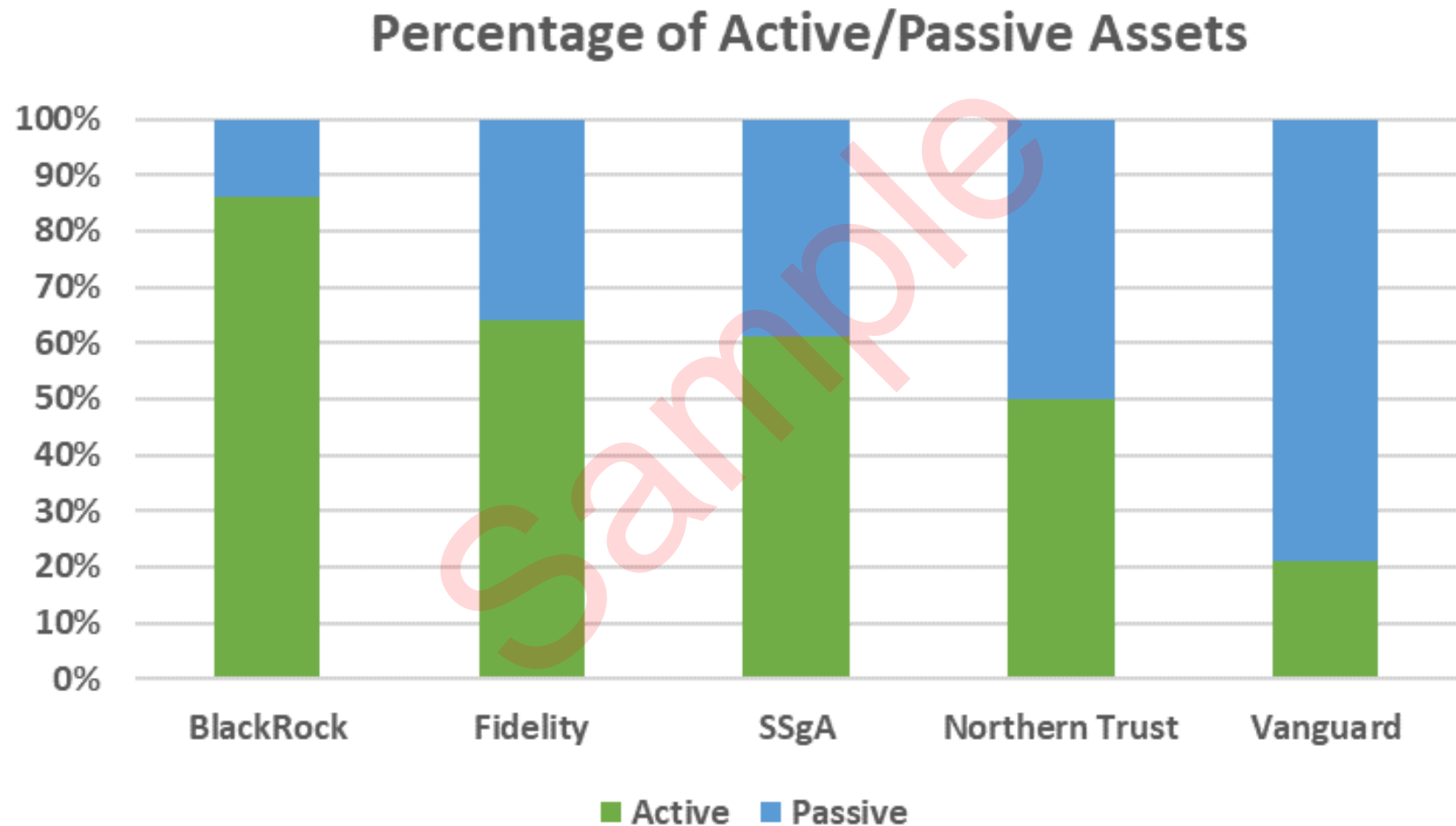
Active vs. Passive: Asset Flows

While asset flows towards passive have been significant over the last 10 years, that trend has slowed significantly in the last year.



Active vs. Passive: Market Reflects Ability to Coexist

The debate is not binary, large passive players are major players in the active space as well. There is room for co-existence of both approaches.



Important Notices

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Research Recommendations

AndCo's recommendation of an investment strategy signifies The Research Group's opinion as to the strategy's prospects for outperforming a suitable benchmark, on a risk-adjusted basis, over a full market cycle. Strategies rated "approved" are assessed as having above average prospects.

The term "strategy" is used in this context to refer to the process that leads to the construction of a portfolio of investments, regardless of whether it is offered in separate account format or through one or more funds. Cases where the vehicle structure may result in differences between permutations may result in a rating disparity and will be noted and reflected in the recommendation. The rating assigned to a strategy may or may not be consistent with its historical performance. While the rating reflects AndCo's expectations on future performance relative to its benchmark, AndCo does not provide any guarantees that these expectations will be fulfilled.

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Sample



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Introduction to Private Infrastructure

A Primer for Institutional Clients

Putting clients first.



For illustrative purposes. Managers shown in this report are for representative purposes only and are not intended to reflect specific recommendations for the recipient. Information included is valid as of the date indicated and not as of any future date.

This presentation is provided for educational and informational purposes only and should not be regarded as investment advice or as a recommendation regarding any particular course of action. This presentation contains forward-looking statements which may be subject to various uncertainties which could affect the actual outcomes or results from those indicated.

Past performance is no guarantee of future results.

AndCo Consulting is an investment adviser registered with the U.S. Securities and Exchange Commission (“SEC”). Registration as an investment adviser does not constitute an endorsement of the firm by securities regulators nor does it indicate that the adviser has attained a particular level of skill or ability.

Proprietary and confidential. Not for distribution to the public. Certain information is based on sources and data believed to be reliable, but their accuracy and completeness cannot be guaranteed.

The source of all data, charts and graphs is AndCo Consulting unless otherwise stated.

The Investment Challenge

- Expected return from a traditional institutional portfolio will be challenged to meet return targets

Equities		Fixed Income	
U.S. Large Cap	6.41%	Core	3.32%
U.S. Mid Cap	6.93%	High Yield	5.59%
U.S. Small Cap	7.35%		
International	7.61%		

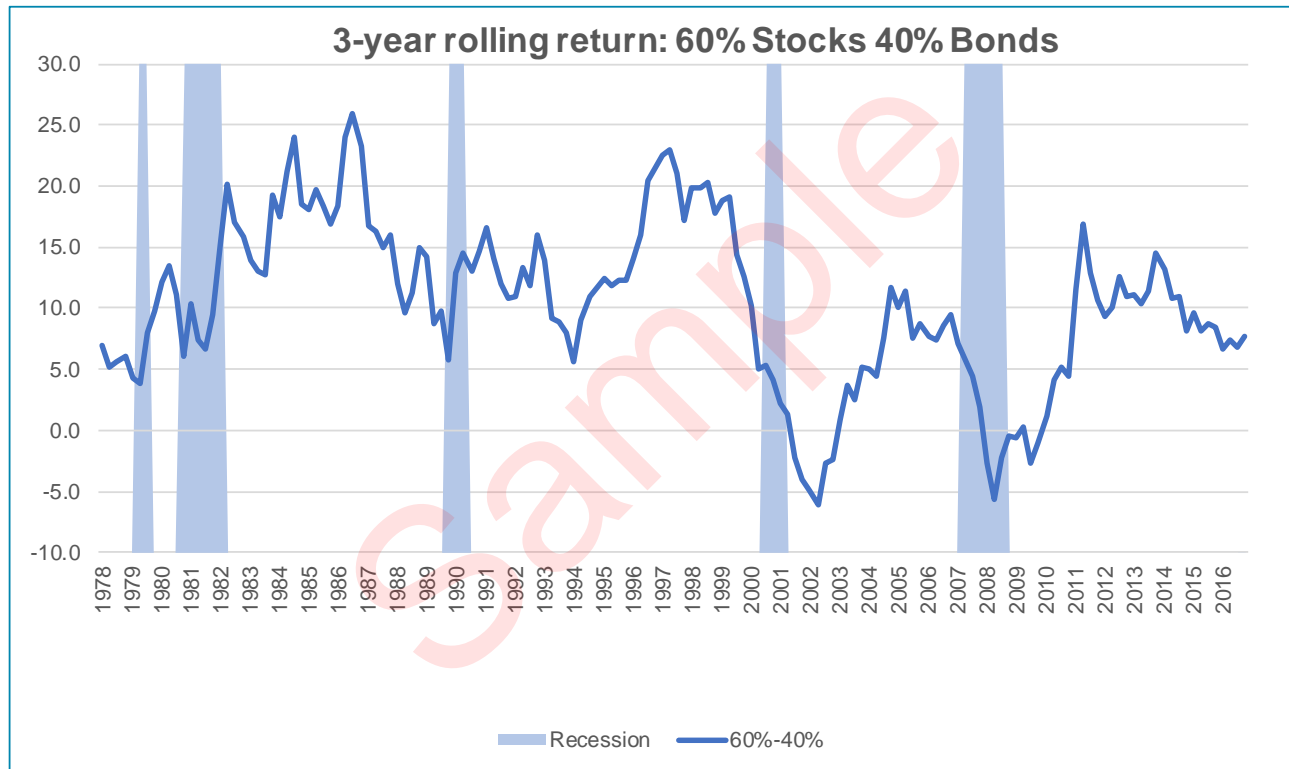
- Traditional asset classes (Equities and Fixed Income) tend to be highly correlated

	U.S. Large Cap	U.S. Mid Cap	U.S. Small Cap	International	Core FI	High Yield
U.S. Large Cap	1.00					
U.S. Mid Cap	0.96	1.00				
U.S. Small Cap	0.90	0.95	1.00			
International Equities	0.88	0.86	0.76	1.00		
Core Fixed Income	0.00	-0.01	-0.10	0.10	1.00	
High Yield	0.69	0.74	0.65	0.74	0.19	1.00

Source: Expected return and correlation are from the "2018 JPMorgan Long-Term Capital Market Assumptions"

The Investment Challenge

- The risk in most traditional institutional portfolios comes from exposure to economic growth, returns tend to decline significantly around recessions



**60-40 portfolio is comprised of 60% S&P 500 and 40% Bloomberg Barclays U.S. Aggregate Bond, rebalanced quarterly*

Addressing the Investment Challenge

Infrastructure assets have characteristics that can address these challenges:

- Strong cash flow profile and expected total return
 - Relatively steady cash flow through an economic cycle
- Lower correlation to other asset classes
- Inflation protection
 - Some countries contractually link cash flows to inflation measures.
 - Overall value of investment should increase with inflation
- Less economic sensitivity than public equities
 - Essential nature of asset maintains cash flow during downturns
- Additionally, long term nature of assets match profile of institutional investor's liabilities

Ultimately, these benefits improve the risk-return characteristics of a traditional institutional portfolio, resulting in a more optimal asset allocation for institutional investors

Defining Infrastructure

Infrastructure is defined as essential public services and facilities needed for the general economic operation of a region.

Characteristics include:

- Monopolistic or semi-monopolistic position, high barriers to entry
- Long useful life
- Operate in regulated environments
- Stable, relatively predictable cash flows
- Lower exposure to business cyclicality

Common types of Infrastructure assets:

Sectors	Transportation	Energy/Utilities	Communications	Social
Subsectors	Toll roads/bridges/tunnels Municipal Parking Airports Rail Mass Transit Networks Port Facilities	Oil and Gas Pipelines Regulated Utilities Renewable Energy Water Treatment/Distribution	Communication Towers Cable Networks Satellite Systems	Education Facilities Healthcare Facilities Correctional Facilities

Institutional Investment in Infrastructure

- Infrastructure is a global asset class with a majority of the assets in North America, Western Europe, and Asia/Australia.
 - Infrastructure transactions in emerging markets also continue to grow. Oxford Economics forecasts 48% of annual global infrastructure spending will occur in Emerging Asia by 2025, up from 30% in 2012.
- Infrastructure investing has been popular in Australia for many years within its superannuation funds. It has also been widely implemented as an asset class in the public retirement systems of Canada and Western Europe.
 - Based on Preqin data, as of March 2017, there was approximately \$425 billion of unlisted infrastructure assets under management compared to \$110 billion as of December 2008.
- Acceptance of the asset class among U.S. institutional investors is increasing with numerous potential opportunities. Investing in U.S. infrastructure assets allows investors exposure to the asset class without the currency risk exposure.
- In 2016, Oxford Economics forecasts total global infrastructure spending from 2015 to 2020 will be in the \$26 to \$28 trillion range

Benefits of Implementing an Allocation to Infrastructure

Risk-Adjusted Return Potential

Private global infrastructure is anticipated to generate an attractive long-term, risk-adjusted return profile relative to equities and fixed income, and a similar profile to core private real estate.

	Return	Standard Deviation
Global Infrastructure*	6.89	11.75
U.S. Large Cap	6.41	14.00
U.S. Mid Cap	6.93	16.00
U.S. Small Cap	7.35	18.75
International Equities	7.61	17.25
Core Fixed Income	3.32	3.75
High Yield	5.59	8.50
U.S. Core Real Estate*	5.79	10.75

Source: Forecast returns are from the "2018 JPMorgan Long-Term Capital Market Assumptions"

*The JPMorgan assumptions for infrastructure real estate are unlevered returns.

Benefits of Implementing an Allocation to Infrastructure

Diversification

Private global infrastructure has a low correlation with equities, fixed income, and core private real estate.

	Global Infrastructure	U.S. Large Cap	U.S. Mid Cap	U.S. Small Cap	International	Core FI	High Yield	U.S. Core RE
Global Infrastructure	1.00							
U.S. Large Cap	0.30	1.00						
U.S. Mid Cap	0.30	0.96	1.00					
U.S. Small Cap	0.28	0.90	0.95	1.00				
International Equities	0.26	0.88	0.76	0.76	1.00			
Core Fixed Income	0.00	0.00	-0.01	-0.10	0.10	1.00		
High Yield	0.22	0.69	0.74	0.65	0.74	0.19	1.00	
U.S. Core Real Estate	0.30	0.30	0.31	0.31	0.26	0.31	0.23	1.00

Source: Correlations are derived from the "2018 JPMorgan Long-Term Capital Market Assumptions"

Infrastructure Strategies

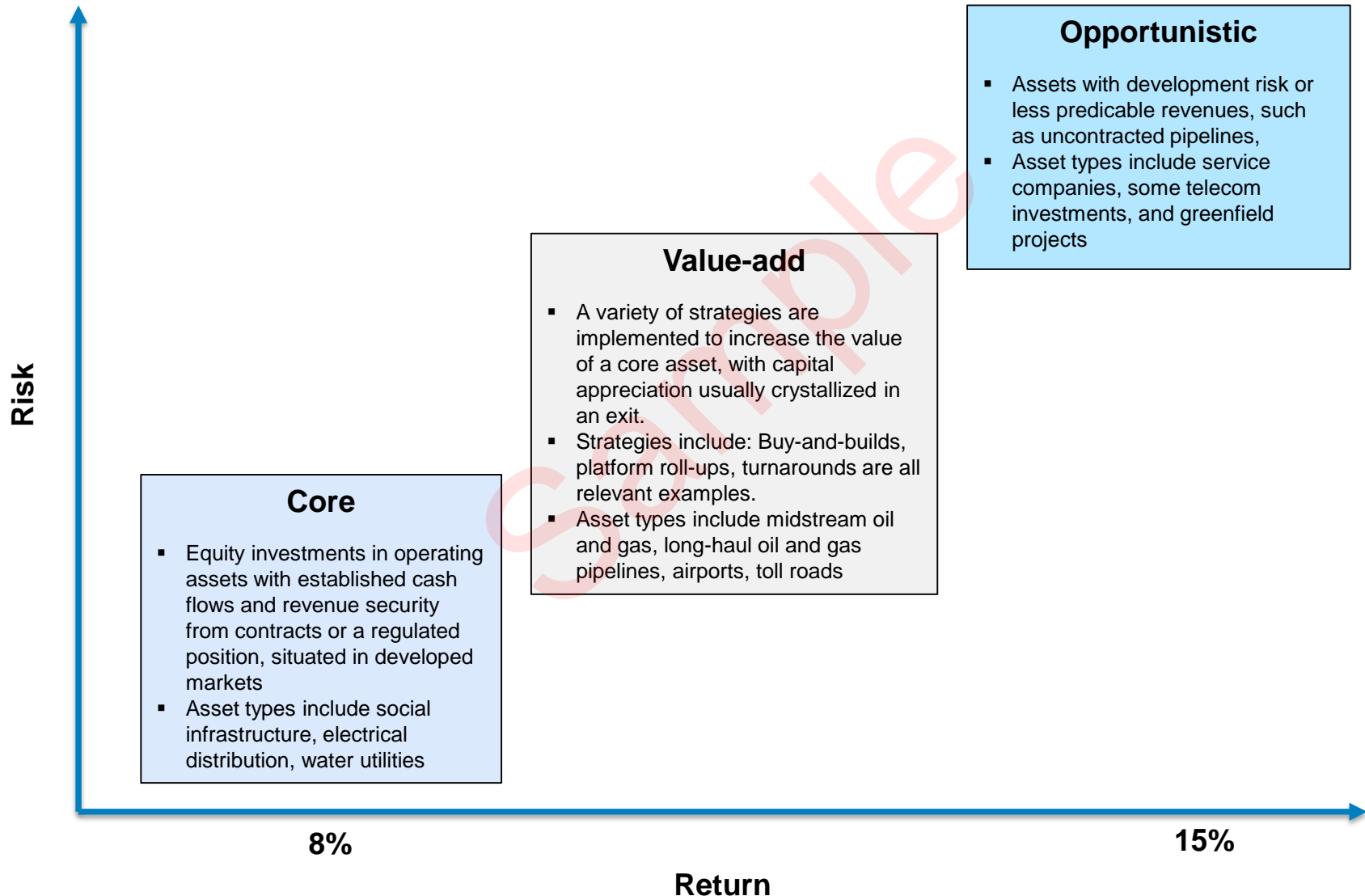
There are three primary types of strategies with varying risk and return profiles that an institution can utilize to construct an infrastructure portfolio.

- Core is a lower-risk strategy, driven primarily by current income
- Value-add provides more upside potential than Core, but also adds more risk. It seeks appreciation while mitigating volatility with some current income generation.
- Opportunistic offers the highest risk and highest return potential. It derives most of its return from appreciation.

	Core	Value-add	Opportunistic
Target Return (net)	8% to 10%	10% to 12%	15% to 17%
Key Risks	Operating	Operating Strategy Execution Construction	Construction Strategy Execution Market, Political
Primary Return Driver	Income	Appreciation	Appreciation
GDP Sensitivity	Low	High	High
Brownfield or Greenfield	Brownfield	Both	Both
Operating Complexity	Medium	High	High
Geography	OECD	OECD/Non OECD	OECD/Non OECD

Implementation Considerations

Infrastructure Strategies



Implementation Considerations

Investment Vehicles

Vehicle type	Minimum Investment	Liquidity	Fund Term	Typical Strategies
Open-end Funds (private)	\$10 million (negotiable)	Quarterly	Perpetual	Core
Closed-end Funds (private)	\$10 million (negotiable)	Illiquid	10 to 12 years	Core Value-add Opportunistic Debt

Implementation Considerations

What to consider when selecting the right strategy for your portfolio

	Open-end Funds (private assets)	Closed-end Funds (private assets)
Key Advantages	<ul style="list-style-type: none"> ▪ Current income generated from cash-flowing assets ▪ Low correlation to equity markets ▪ Direct exposure to infrastructure assets 	<ul style="list-style-type: none"> ▪ Broadest number of managers and strategies to select from ▪ Low correlation to public equity markets ▪ Direct exposure to infrastructure assets
Key Disadvantages	<ul style="list-style-type: none"> ▪ Higher fees ▪ Focus on cash-flow, less upside potential ▪ Leveraged ▪ Less liquid than listed securities 	<ul style="list-style-type: none"> ▪ Higher fees ▪ Leveraged ▪ Blind pool risk ▪ Liquidity is limited to complex secondary market transactions
Fit within Portfolio	<ul style="list-style-type: none"> ▪ Tend to focus on investments with long-term hold periods and stable cash flows ▪ Primary component of an institutional investor's infrastructure program 	<ul style="list-style-type: none"> ▪ Tend to focus on investments with a higher risk/return profile ▪ Complementary component of an institutional investor's infrastructure program

Implementation Considerations - Risks

Primary considerations to implementing an infrastructure allocation:

- **Political/Regulatory:**
 - Regulated Infrastructure assets are subject to changes in government regulations and guarantees. Governmental regulators typically determine rates that can be charged to customers. Energy infrastructure, including oil & gas, solar, wind, and nuclear, are particularly vulnerable to this risk.
- **Asset types:**
 - For some assets, rate increases are not built into contracts which reduces the extent of inflation protection. Particularly in US, there is a high reliance on regulators for rate increases, which can be time-consuming.
- **Headline:**
 - High potential for public backlash on rate increases
- **Currency:**
 - Exchange rate fluctuations on foreign investments can severely impact returns.
- **Benchmarking:**
 - There is no benchmarking standard for private infrastructure strategies. Alternatives include absolute return, CPI + x%, public benchmark + x%, or comparison to funds of the same vintage year.
- **Credit:**
 - Private funds typically carry 40% to 70% leverage and are sensitive to credit market conditions

Implementation Considerations - Risks

Primary considerations to implementing an infrastructure allocation:

- **Liquidity:**
 - Open-end private fund's quarterly liquidity option can lock up depending on withdrawal queue and market conditions.
- **UBTI:**
 - Most funds will structure investments to minimize the impact of Unrelated Business Taxable Income (UBTI). However, certain investments may result in the generation of UBTI. To remedy this, managers may have offshore blocker vehicle options. Please consult your tax advisor to determine the impact of UBTI.
- **ERISA Fiduciary:**
 - Most Private Equity managers are not ERISA fiduciaries by accepting less than 25% of ERISA commitments or by becoming exempt by registering as a venture capital operating company (VCOC). If either of these cases, managers will not comply with ERISA standards.

Implementation Considerations – Manager/Strategy Selection

What does AndCo look for when evaluating Infrastructure managers?

- Team stability
 - Due to the long-term nature of the investments it is crucial to partner with a team that has had minimal turnover of key professionals responsible for generating the firm's track record.
- Ability to add value through active management
 - Demonstrated capabilities of adding value through techniques such as adding key management personnel, negotiating contracts, optimizing the capital structure, and pursuing strategic acquisitions.
- Strong network for sourcing deal flow
 - A long history in the space provides the reputation and relationships needed to generate proprietary deals or greater participation in limited auctions, which can drive higher returns.
- Strong balance sheet for financing
 - Most private funds are levered, an ability to access attractive terms on debt will impact total return.
- Valuation Policy
 - Valuations are conducted on a quarterly basis. Managers must follow industry standard best practices that are audited annually by a third party.
- Exit strategy
 - Closed-end funds have a finite life, managers need to demonstrate a clearly defined exit strategy for the assets.
- Track record
 - Open-end funds manage redemptions through either cash inflows from new investors or selling assets. Poor performance can lead to increased redemptions and lack of new inflows. Current investors may be unable to receive redemption proceeds until assets are sold.

AndCo's View

- Allocating 5% to 10% of an institutional portfolio to Infrastructure can make sense, depending on the investor's objectives.
- We view Infrastructure as a component of a strategic allocation, not a short-term trade idea.
- Investors seeking to reduce equity and fixed income risk without sacrificing significant return potential would benefit from an allocation to infrastructure.
- Lower-risk/return strategies with a focus on investments that have stable cash flows and are less sensitive to economic growth should be the primary component of an infrastructure program.
- Higher-risk/return strategies that are dependent on a manager's operational expertise to create value or take on development risk can serve as a complementary component of an infrastructure program.
- We would avoid listed infrastructure, which does not offer as much diversification or risk reduction as private infrastructure does.

Brownfield – projects that have existing assets generating cash flow

Capital Call – Occurs when a manager requests a transfer of the portion of the investors' committed capital. The called capital is utilized by the manager to make investments and cover expenses.

Carried Interest – performance fee collected by the manager on profits in excess of a predetermined return referred to as a preferred return

Closed-end Fund – A fund with specified term the manager must liquidate the investments by, generally eight years or longer

Committed Capital – The amount of capital an investor has agreed to invest in a closed-end, private infrastructure fund. The capital is called on an as needed basis by the manager.

Greenfield – projects that include the construction of new assets

Investment Period or Commitment Period – Refers to the established length of time a manager can call capital for new investments, generally three to four years

Monopolistic – markets in which a product is controlled by a single producer and there are few, if any, substitutes

Open-end Fund – A perpetual fund with no set end date. New investors buy in at the current Net Asset Value and existing investors sell at the current Net Asset Value.

Preferred Return – Also referred to as a hurdle rate. The minimum level of return the investment or fund needs to earn before the manager can earn carried interest.

Vintage Year – The calendar year in which the manager begins investing capital of an infrastructure fund

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Response to Request for Proposal

Update: April 7, 2021

Per the request of the Tulare County Employees' Retirement Association, all references to the AndCo service team have been updated as of April 1, 2021. This includes section A, questions 4, 5, 6, 7, and 17. Also, we have included an updated ADV Part 2A, ADV Part 2B, and an updated Organizational Chart. All other information is current as of the original submission date of January 22, 2021.

**Tulare County
Employees'
Retirement Association**



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Exhibits

Form ADV (Parts I & II)	Exhibit A
Organizational Chart	Exhibit B



A. Organization

1. **Provide a brief history of the firm including the year formed, ownership structure, the year the firm began providing investment consulting services for defined benefit public retirement systems, and the nature of the firm's ownership (including any changes in the last five years) and specific details with regard to any affiliated companies or joint ventures.**

Firm Overview

AndCo is an independent institutional investment consulting firm. We are structured as a Limited Liability Company and we are 100% employee-owned and managed. We have no parent or affiliated companies. AndCo advises approximately \$96 billion of assets under advisement. We have client relationships all over the United States along with Bermuda and Canada. Our mission is to represent the sole interest of our clients by redefining independence. Our vision is to be a transformational organization viewed as the leader in our industry. We continuously seek to place the interests of our clients first, serving with care and a level of stewardship that only true independence can provide. We believe this can help lead to better overall results.

AndCo has provided independent institutional investment advisory services since our firm's inception in 2000. This is our only line of business. AndCo has no parent company, affiliated business partners or joint ventures. We provide consulting services for many different types of institutional plans sponsored by public and government entities, public and private educational institutions, unions (Taft-Hartley), endowments, foundations, corporations, hospitals, healthcare systems and self-insurance funds. Our firm is structured to be able to consult and advise any institutional pool of assets. We have provided investment consulting services to defined benefit public retirement systems since our inception in 2000.

Our team of 91 professionals consists of some of the top talent from a variety of educational and financial industry backgrounds and features 34 dedicated consultants who average over 20 years of experience. AndCo's professional team holds the following credentials:

- 24 Chartered Financial Analyst (CFA®) Charterholders
- 10 Chartered Alternative Investment Analyst (CAIA®) Members
- 7 Certified Plan Fiduciary Advisor (CPFA) Certificants
- 6 Certified Investment Performance Measurement (CIPM®) Certificants
- 3 Certified Investment Management Analyst (CIMA®) Designees
- 39 advanced degrees

AndCo's headquarters is located in Orlando, FL. We have satellite offices in Chicago, IL; Cleveland, OH; Detroit, MI; Reno, NV; Pittsburgh, PA and Dallas, TX. We also have consultants located in Atlanta, GA; Buffalo, NY; Charlotte, NC; Los Angeles, CA; Louisville, KY; Milwaukee, WI, and Tulsa, OK.

Ownership Structure

AndCo is a Limited Liability Corporation, 100% owned and managed by its members. Currently, Mike Welker is the majority owner. There are 8 additional partners at the firm collectively owning approximately 22% of the firm.



Over the past five years we have broadened our equity partnership to include 8 new partners. The majority of our organizational departments are represented by our partnership.

- 2. Provide an organizational chart detailing the total number of employees and categories of employment, including the total number of employees identified as investment professionals.**

Please see **Exhibit C** for our firm's Organizational Chart. AndCo currently employs 91 professionals and this includes 34 dedicated investment consultants.

- 3. List the firm's lines of business and the approximate contributions of each business to the firm's total revenue. If the firm is an affiliate of an organization, identify the firm's percentage of the parent firm's total revenue generated in the most recent fiscal year.**

AndCo has only one line of business: Institutional Investment Advisory Services. We derive 100% of our revenue through hard-dollar fees for investment advisory services to many different types of institutional plans. AndCo is not an affiliate of an organization.

- 4. Provide the firm's target ratio of clients to a primary consultant, the current average ratio, and the number of clients the proposed primary consultant currently services.**

Our management team in consulting regularly assesses each consultant's account load based on their experience, portfolio and relationship complexity of their assigned accounts, meeting frequency, travel requirements, and other unique account dynamics. This combination of factors is quantitatively scaled and collectively measures each consultant's capacity. Executive leadership, with input from the consulting management team, assigns new client relationships based on an ongoing assessment of capacity factors and will modify current client partitioning if it determines the quality of our service could be negatively impacted by consultant assignments. Based on our quantitative assessment of consultant capacity as well as our broad range of clients and the services they require, AndCo does not utilize or maintain a target ratio of relationships per consultant.

Our Consulting Department averages approximately 20 client relationships. Within this average, we have consultants at AndCo that service 1 to 3 relationships and consultants that service 25 to 30 relationships. Relationship assignments are based on the consultant's capacity calculation and our ongoing analysis to help ensure each consultant is servicing their relationship load within our internal standards and our valued clients' external standards.

Annette Bidart and Mike Fleiner will both be assigned to the TCERA relationship as co-primary consultants. Annette currently services 15 relationships and Mike services 20 relationships. Our consulting management team has carefully selected these consultants based on their experience, geographic location, and capacity to serve client relationships.



5. Provide the location and function of each of your firm's offices, including the number of professionals at each office and what services are provided by each office.

AndCo's headquarters is located in Orlando, FL. We have satellite offices in Chicago, IL; Cleveland, OH; Detroit, MI; Reno, NV; Pittsburgh, PA and Dallas, TX. All of our offices work to collectively provide investment advisory services to our clients. Please see below for a breakdown of our employees by office location:

Office Location	Employees
Orlando, FL	59
Chicago, IL	10
Dallas, TX	4
Pittsburgh, PA	5
Cleveland, OH	1
Detroit	3
Reno, NV	6

Fully remote employees are linked to the appropriate geographic office location.
Data as of 4/1/2021

Tulare County Employees' Retirement Association (TCERA) will be serviced by Annette Bidart and Mike Fleiner, who are both located in our Reno, NV office.

6. Indicate the address of the office that would service this account, the names of the team members who would be assigned to this account and their contact information. Include biographies for these team members. If the location is different from the main office, please provide the address of the main office location as well.

TCERA will be serviced by Annette Bidart and Mike Fleiner, who are both located in the Reno, NV office. Please see below for the locations of our headquarters and Reno office.

AndCo Consulting

Headquarters

531 W Morse Blvd, Suite 200
Winter Park, FL 32789
Phone: (844) 44-ANDCO
Fax: (863) 292-8717
Website: www.AndCoConsulting.com

Reno Office

5470 Kietzke Lane, Suite 304
Reno, NV 89511
Phone: (844) 44-ANDCO
Fax: (863) 292-8717
Website: www.AndCoConsulting.com

At AndCo our focus is on providing an unparalleled level of stewardship. To this end, your relationship begins with your consultants but is supported by several layers of resources. A byproduct of this service model is our quality control. The team concept allows multiple individuals from our firm to become acquainted with relationships and the Fund's dynamics. We do this for ongoing continuity and value-added service. This gives TCERA seamless service for the long term, multiple points of contact for client communications and an increased level of loyalty and trust. Annette and Mike will be supported by Misha Bell, Client Solutions Department. Please see below for the team's biographies.

Annette Bidart

Consultant

Phone: (775) 335-0551
Email: AnnetteB@andcoconsulting.com



Annette has 34 years of experience in investment consulting to ERISA qualified and nonqualified plans, foundations, endowments and high net worth individuals. She works extensively with Plan Sponsors, supporting their defined benefit, defined contribution, and nonqualified plans, and Trustees of foundations, endowments and Trusts by designing customized solutions in the areas of administration, fiduciary oversight, investment policy and design, asset allocation, investment fund line and mapping strategies, investment monitoring, evaluation, provider searches, and total plan cost analysis.

Her responsibilities include optimizing investment portfolios, conducting investment manager due diligence reviews, evaluating and selecting investment managers, developing investment policy guidelines, rebalancing and/or mapping strategies and recommendations and delivering and analyzing performance-monitoring reports. Her clients are primarily located on the West Coast and the Mountain West States.

Prior to joining AndCo, she was Partner and Senior Consultant of Bidart & Ross prior to its acquisition by AndCo. Previously she worked at a major Wall Street brokerage firm's consulting division conducting performance evaluation, manager search and screening, and asset liability modeling.

Bachelor of Arts, Political Science & Spanish, University of Nevada-Reno

Michael Fleiner

Consultant

Phone: (775) 335-0552

Email: MikeF@andcoconsulting.com

Michael has 28 years of experience as an investment consultant. He works extensively with Plan Sponsors, supporting their defined benefit, defined contribution, and nonqualified plans. He has extensive experience in designing customized solutions in the areas of fiduciary oversight, investment policy design, asset allocation modeling, investment menu design and overall plan administration. Other areas of experience include asset mapping strategies, investment monitoring and evaluation, provider searches, and cost analysis.

Previously, he was a Senior Consultant and shareholder at Bidart & Ross prior to its acquisition by AndCo. There he gained extensive experience in working with various boards and investment committees in establishing written investment policies, creating asset allocation strategies, selecting investment providers and monitoring investment performance and risk.

Bachelor of Science, Finance, University of Nevada-Reno
First Tee of Northern Nevada, Board Member

Misha Bell

Client Solutions Department

Phone: 407.627.1838

Email: MishaB@AndCoConsulting.com



Misha's primary responsibilities include a comprehensive range of duties including but not limited to investment research, performance analysis, plan administration, compliance monitoring, and operational and administrative support.

Prior to her role in the Client Solutions Department, she was a Senior Performance Analyst with AndCo. Prior to joining AndCo, she worked at the UCF Foundation, as a Coordinator and Prospect Analyst.

Bachelor of Science, Biology, University of Central Florida
 Master of Business Administration, University of Central Florida
 CFA Institute Investment Foundations Certificate Holder

7. Provide the following information regarding the proposed team members for this relationship:

Annette Bidart (Consultant)

- Years of investment consulting industry experience: 34 Years
- Years of tenure with your firm: 4 Years
- Year the team has worked together at your firm: 4 Years
- Co-leads servicing team
- Attends client meetings
- Provides recommendations from AndCo
- Presents monthly and quarterly reports to the Board
- First line of contact

Michael Fleiner (Consultant)

- Years of investment consulting industry experience: 28 Years
- Years of tenure with your firm: 4 Years
- Year the team has worked together at your firm: 4 Years
- Co-leads servicing team
- Attends client meetings
- Provides recommendations from AndCo
- Presents monthly and quarterly reports to the Board
- First line of contact

Misha Bell (Client Solutions Department)

- Years of investment consulting industry experience: 11+ Years
- Years of tenure with your firm: 11+ Years
- Year the team has worked together at your firm: 2+ Years
- Assists in making recommendations
- Sounding board for ideas
- Operational and Administrative Support
- Assists with investment research, performance analysis, plan administration and compliance monitoring
- Completes custom performance reports with the consultants
- Monitors Plan for compliance

8. Provide details on the financial condition of your firm. Include levels of debt and debt payoff plans.



We are pleased to report our financial condition is strong and sustainable. AndCo has been profitable for many years and has experienced sustained revenue growth since the inception of the firm.

We strategically use debt for acquisitions and growth objectives which, in aggregate, have generally been accretive to the organization and our financial condition. Debt levels are within industry standards and payments are made over the normal course of business.

9. Provide registration status with the SEC or any state securities regulator as an investment adviser. If so registered, provide all disclosures required under those laws (including Part I and II of Form ADV).

AndCo is registered as an investment adviser with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940. Our SEC registration number is 801-58253. Effective 1/10/2001. Please see **Exhibit B** for a copy of our firm's Form ADV, Parts I and II. We have provided all disclosures as required.

Registration as an investment adviser does not constitute an endorsement of the firm by securities regulators nor does it indicate that the adviser has attained a particular level of skill or ability.

10. State if your firm has ever been censured by the SEC or any regulatory body. If so, please describe.

AndCo has never been censured by the SEC or any regulatory body.

11. State if your firm has been subject to or is currently being reviewed or audited by the SEC or other regulatory agencies. If yes, please describe the nature of the investigation.

AndCo had a routine SEC examination in 2006. The SEC recommended certain corrective actions regarding our financial statements, advertising, Form ADV, and our compliance program to which we took prompt remedial action. Additionally, in 2015, AndCo began voluntarily conducting biennial mock SEC examinations, led by an independent third-party compliance consulting firm, in order to help us identify any potential compliance exceptions and best practice enhancements. In each of these mock examinations, no material exceptions were identified.

12. State if in the last five (5) years the firm, the Primary Consultant, or other principal or officer of the firm been involved in any business litigation, regulatory, or other legal proceedings or government investigation involving allegations of fraud, negligence, criminal activity or breach of fiduciary duty. If so, please describe.

In the last five (5) years, neither our firm, the primary consultant assigned to TCERA, principal or officer of our firm have been involved in any business litigation, regulatory, or other legal proceedings or government investigation involving allegations of fraud, negligence, criminal activity or breach of fiduciary duty.

13. State if your firm will acknowledge fiduciary status and accept fiduciary responsibility for recommendations to TCERA.

If AndCo is hired, we will acknowledge a fiduciary status and accept fiduciary responsibility for our recommendations to TCERA. Our consultants always serve as a



fiduciary to their clients without caveat or exception and as such, must always act in each client's best interest. They serve as an independent advisor to the client on investment policy and program oversight by closely monitoring both manager and overall portfolio performance as well as keeping abreast of economic and regulatory changes that may impact the client. With this information, and our role as fiduciary, our consultants are prepared to lead client relationships and help administer client portfolios at a high level.

Since we have no beneficial financial relationships with money managers or other outside vendors, the consultant can also help the client assess if other professionals are also acting in the client's best interest. These accountability measures help optimize the overall portfolio structure and desired client outcomes.

14. State whether or not the firm's employees comply with the Code of Ethics and Standards of Professional Conduct of the CFA Institute. Provide a copy of any code of ethics maintained by your firm.

AndCo has adopted the CFA Code of Ethics and Standards of Professional Conduct (the "CFA Institute Code and Standards"). This document is included and reviewed during new hire orientation and executed on the first day of employment.

As stated in our Employee Integration Guide, the company expects its employees to adhere to a standard of professionalism and integrity. This ensures that the work environment is safe, comfortable, and productive. Employees should be respectful, courteous, and mindful of differences. General cooperation between colleagues is expected. Individuals who act in an unprofessional manner may receive disciplinary action, up to and including termination.

To help foster an environment of professional conduct AndCo has a dedicated management team that works in partnership with our Human Resources Department to hold team members accountable for upholding the Code of Ethics and Standards of Professional Conduct. Please see **Exhibit D** for a copy of the CFA Code of Ethics and Standards of Professional Conduct.

Furthermore, our firm also has a Compliance Code of Ethics, as required under SEC rules. This document is embedded within our Compliance Policies and Procedures Manual and covers policies pertaining to matters such as conflicts of interest, employees' personal trading, gifts and entertainment, reporting of violations and compliance training. Our employees annually attest to their understanding of the Compliance Code of Ethics and additionally also receive regular training on the Compliance Policies and Procedures Manual in its entirety. Please note that, as is common practice, this is an internal, confidential document that we do not distribute to outside third-parties.

15. List the dollar amounts of fiduciary liability insurance, errors and omissions insurance and bonding insurance carried by your firm including carrier, type of coverage and dollar amounts/limits.

AndCo has several insurance policies through highly rated, stable insurance companies. Some of our insurance carriers include Continental Casualty Company, Travelers Casualty & Surety Company of America, AXIS Insurance Company, Endurance American Insurance Company, Zurich American Insurance Company, and Argonaut Insurance Company. We believe our coverage is sufficient for our role as a traditional investment consultant since



we do not serve as custodian for any plan assets, nor directly manage any investment portfolios. Our total policy coverage is as outlined below:

We have also provided copies of our Certificates of Insurance as **Exhibit R**.

Coverage	Dollar Amount
Professional Liability/Errors & Omissions Insurance*	\$15 million
General Liability Insurance	\$2 million
Cyber Liability Insurance	\$5 million
Fidelity/Blanket Crime Insurance**	\$1 million
Workers Compensation and Employers' Liability Insurance	\$1 million
Umbrella Liability Insurance	\$4 million
Automobile Liability Insurance	\$1 million

*The Errors & Omissions policy also includes Directors & Officers coverage and Fiduciary Liability coverage

**The Fidelity Bond encompasses an ERISA bond with coverage of \$500,000

16. Discuss the firm's business objectives and plans for growth. Comment on any present or planned areas of emphasis over the near future. Be sure to include in your response:

- a. Total client asset limits.
- b. Cap on total client relationships.
- c. Maximum limits on asset amounts or number of clients per consultant.
- d. Plans to develop and expand resources, merge or acquire other firms, spin off subsidiaries.

Since our inception AndCo has experienced solid growth year over year. We believe growth is critical to any organization. However, we are not growing without intentionality. We often state, "We don't want to be the biggest consulting firm, we want to be the best." We want to grow to provide opportunities to our existing employees along with enhanced services to our existing and prospective clients. An example of how growth impacts our service is our current strategy of reinvesting 100% of the company's net profits back into the organization. As AndCo grows we reinvest larger pools of profits into the organization for new technologies and personnel to enhance our firm and better serve our clients. This has been a hallmark of our firm since inception and we believe one of the main reasons why we have such a high client retention rate.

Part of our growth strategy includes seeking strategic acquisitions or hires that meet our high standards for independence and excellent client service that we believe could help enhance our firm. We have done this since the inception of the firm and it remains part of our current strategy. In every instance, AndCo has been the acquirer to protect our brand and overall client first culture. As we continue to pursue opportunities in the future, AndCo will remain the acquirer. We have no interest in selling our business. This will allow us to protect our culture and independent, customized service model.

At AndCo, we do not have target account loads or AUA objectives. Our management team in consulting regularly assesses each consultant's account load based on their experience, portfolio complexity, meeting frequency and travel requirements, collectively measured as a consultant's capacity. Executive leadership, with input from the consulting



management team, assigns new client relationships based on its ongoing assessment of capacity factors and will modify current client partitioning if it determines the quality of our service could be negatively impacted by consultant assignments. We have consultants at AndCo that service one to three relationships. We also have consultants that service twenty-five to thirty relationships. It is all based on the consultant capacity ratio and our constant analysis that ensures each consultant is servicing their account load to our internal standards and our valued clients' external standards.

17. Provide a list of consulting staff who left or joined your firm within the last three (3) years. Include anticipated personnel changes for the next year. For those who have left or plan to leave, provide the reason for the departure.

Please see below for a list of consultants who left or joined our firm within the last three (3) years. For those consultants that have left over the past 3 years we have included the reason for their departure. There are no anticipated changes for the coming year at this time.

Investment Consultant	Year Joined
Trevor Jackson	2018
Gwelda Swilley	2019
Oleg Sydyak, CFA®	2020
Andy Kiehl	2020
Rich Robben, CFA®	2020

Investment Consultant	Year Departed	Reason for Departure
Howard Pohl	2018	Retirement
Greg Weaver	2018	Retirement
Amy Heyel, CPFA®	2019	Job Opportunity
Christopher Pipich, CFA®	2019	Personal Reasons
Al DiCristofaro	2019	Retirement
Brian King	2020	Retirement
Trevor Jackson*	2021	Job Opportunity

*As notified, this future departure will take place in April 2021.

18. Describe your firm's compensation system for principal staff, and indicate what specific incentives are utilized to encourage retention of key professionals.

AndCo is a meritocracy. Principal staff members are offered competitive base salaries and annual bonus opportunities relative to specific job responsibilities and overall firm success. The compensation structure successfully recognizes and retains our key professionals. In addition, after 5 years of employment, all employees become eligible to receive equity in our employee owned and employee managed firm.

19. Disclose any hard or soft dollar compensation derived from sources other than contracted client fees and any policies related to acceptance of such compensation.

AndCo does not receive any hard or soft dollar compensation from sources other than contracted client fees. We are very proud to state that we have implemented stringent policies and procedures to help protect against conflicts of interest:



- We accept no form of compensation other than the hard dollar fees we collect from our clients.
- We do not pay any referral or solicitation fees.
- We do not recommend any WRAP programs.
- We do not participate in any soft dollar arrangements.
- We inform our clients annually of our Privacy Policy and periodically review our information security policies and procedures to help ensure they remain current and in line with best practices.
- We provide our firm's Form ADV Part 2a to clients at the inception of our relationship. In addition, every April we provide an updated ADV Part 2 and Privacy Notice to all AndCo clients and our Compliance Department offers to personally discuss both documents with any client upon request.

We receive revenue through hard dollar fees only. We typically bill the client a quarterly invoice containing our contractually agreed upon fee, and the client authorizes payment to us – plain, simple, understandable, and transparent.

Additionally, our Compliance Department plays a key role, alongside leadership and management, in seeking to help mitigate potential conflicts of interest firmwide. This occurs both formally and informally and across small and material matters, including screening potential acquisitions, providing guidance on conferences and in addressing gifts and entertainment with third-parties.

In 2005 the Department of Labor (DOL) and the U.S. Securities and Exchange Commission (SEC) developed ten questions to assist benefit plan fiduciaries in evaluating the objectivity of their investment consultant. We are very proud to provide our answers to these questions to demonstrate our conflict free policies and values. We encourage clients to ask the same questions to the other candidates being considered. Please review our responses to the SEC/DOL potential conflicts of interest questionnaire, as follows:

- 1. Are you registered with the SEC or a state securities regulator as an investment adviser? If so, have you provided the Fund with all the disclosures required under those laws (including Part II of Form ADV)?**

AndCo Consulting is a Registered Investment Advisory firm, registered with the Securities Exchange Commission. We provide our Form ADV to all clients with our proposed agreements, and upon request.

- 2. Do you or a related company have relationships with money managers that you recommend, consider for recommendation, or otherwise mention to the plan for consideration? If so, describe those relationships.**

No.

- 3. Do you or a related company receive any payments from money managers you recommend, consider for recommendation, or otherwise mention to the plan for consideration? If so, what is the extent of these payments in relation to your other income (revenue)?**

No.

- 4. Do you have any policies or procedures to address conflicts of interest or to prevent these payments or relationships from being considered when you provide advice to your clients?**



Yes.

5. *If you allow plans to pay your consulting fees using the plan's brokerage commissions, do you monitor the amount of commission paid and alert plans when consulting fees have been paid in full? If not, how can a plan make sure it does not over-pay its consulting fees?*

AndCo is compensated in hard dollars only.

6. *If you allow plans to pay your consulting fees using the plan's brokerage commissions, what steps do you take to ensure that the plan receives best execution for its securities trades?*

We do not use brokerage commissions and do not accept soft dollar payments. We believe this type of relationship clouds objectivity and opens the door for potential conflicts.

7. *Do you have any arrangements with broker-dealers under which you or a related company will benefit if money managers place trades for their clients with such broker-dealers?*

No.

8. *If you are hired, will you acknowledge in writing that you have a fiduciary obligation as an investment advisor to the plan while providing the consulting services we are seeking?*

Absolutely.

9. *Do you consider yourself a fiduciary under ERISA with respect to the recommendations you provide the plan?*

Absolutely.

10. *What percentage of your plan clients utilize money managers, investment funds, brokerage services or other providers from whom you receive fees?*

0%.

- 20. Identify the percentage of the firm's clients that utilize money managers, investment funds, brokerage services or other service providers from whom the firm receives fees.**

0%. AndCo does not receive any fees from money managers, investment funds, brokerage services or other service providers that our clients utilize.

- 21. Describe your firm's disaster recovery plan including the results of the most recent testing of the plan.**

AndCo has established a comprehensive Business Continuity Plan (BCP) to help ensure the continuance of firm operations in the event of a significant business disruption caused by either internal or external circumstances, such as a natural disaster or regional disruption. Of note, our infrastructure is built on cloud-based solutions offering a higher level of redundancy, backup, and disaster recovery capability. This BCP addresses many elements, such as an internal financial and operational assessment, utilization of alternative physical work locations (i.e., remote work from home abilities), data back-up and recovery and assessment of key third-party vendor relationships to help verify suitable safeguards are in place in the event of any significant service disruption.



Data Backup / Recovery

- All electronic records are backed up internally and externally to locations across multiple regions daily. While every emergency poses unique challenges based on external factors, our objective is to restore our operations with little to no downtime.

Communication

- AndCo has developed a protocol detailing the order and responsiveness in communicating with clients, employees, and other external parties (e.g., vendors, regulatory agencies, etc.) in the event of a significant service disruption.

Accessibility

- Core business applications utilized to deliver our investment consulting services are generally built on cloud-based solutions accessible from any location via a secure internet connection.
- Our technology design allows for each AndCo office to run independently. This allows the organization to operate fully remote if required.

Mobility

- All employees are issued mobile devices for daily operations allowing full mobility from any location, provided Internet access availability. Employees utilize a secure VPN to access key programs, file structures, and data to help ensure security.
- Our organization's phone solution is cloud-based and is accessible from any location with an internet connection. Also, employees have the ability to forward their phone calls to their mobile devices through our phone portal, if needed.

Due Diligence

- AndCo annually reviews its BCP to determine if any modifications or enhancements are required due to staff, technology, regulatory or other changes.
- Before establishing a relationship with any new key vendors, we also generally review their Cybersecurity program, BCP and other due diligence materials to help ensure their systems are robust and sophisticated and that they have had no material issues or breaches.
- Our Chief Compliance Officer distributes a Due Diligence Questionnaire annually to all key vendors which addresses a variety of critical areas such as: any significant changes to the vendor's business, major financial actions or litigation, any material cybersecurity events, and any changes or enhancements to their BCPs.

Annual BCP Test Results: 2020

Several key areas of the firm's systems and operations were tested throughout 2020. Most significantly, our BCP was enacted due to the COVID-19 pandemic and corresponding stay at home orders requiring each of our offices to migrate to being completely remote for an extended period of time. During this migration, we found no significant deficiencies in continuing the serviceability of our clients and core business functions. We did, however, identify areas for enhancement relative to certain policies and practices, and the corresponding enhancements were either implemented or are slated to be implemented in the near future. Of final significant note, the firm has completed the successful implementation of a corporate intranet site to centralize information and communications to employees – a key communication enhancement in consideration of a disaster recovery program/BCP.



B. Assets Advised

1. **Provide the number of clients, assets under advisement for the firm's investment consulting relationships . Separately identify the number of clients and assets under advisement for outsourced chief investment officer services (full discretionary contract), if any.**

AndCo provides investment consulting services to over 690 clients with approximately \$96 billion in assets under advisement. This also includes 12 clients we provide discretionary investment consulting services with approximately \$341 million in assets.

2. **Provide a list of the firm's investment consulting clients as of 12/31/2020. Please provide a table listing all current clients for whom you provide investment consulting services along with the following information:**
 - a. Name and Type of client (public plan, corporate plan, endowment, fund of hedge funds, etc.)
 - b. Total size of each relationship
 - c. Assets on which you provide consulting services
 - d. Length of service of the relationship
 - e. Brief, one sentence description of the type of services you provide for each client
 - f. Nature of the relationship (retainer or project-based)

Please see **Exhibit E** for AndCo's Representative Client List.

3. **List all clients your firm has gained in the last three (3) years and the clients who have terminated your services during that time. For those who have terminated your services, please indicate the reason for terminating service.**

Please see **Exhibit Q** for a list of AndCo's 2018-2020 Clients Won and Lost.

4. **Provide the name, address, telephone number and contact person for three (3) current public pension plan clients to serve as a reference for your firm. Clients domiciled in the State of California are preferred.**

El Paso Firemen and Policemen's Pension Fund

Tyler Grossman, Executive Director
909 E San Antonio Ave.
El Paso, TX 79901
Phone: 915.771.8111 Ext. 110

Oklahoma Firefighters Pension & Retirement System

Chase Rankin, Executive Director
6601 Broadway Extension, Ste 100
Oklahoma City, OK 73116
Phone: 405.522.4600

Prince George's County Pension Plans

Jaclyn Harris, OHRM
1400 McCormick Dr., Suite 110
Largo, MD 20774
Phone: 301.883.6391



C. Investment Consulting Philosophy and Process

1. **Briefly describe your firm's philosophy with respect to investment consulting mandates, and the nature of the service that you provide. What key strengths and competitive advantages does the firm possess that generate superior performance and service for your clients?**

AndCo's investment philosophy is based on structuring, maintaining, and updating portfolios that aim to help provide our clients the greatest probability of achieving their unique goals and objectives. This philosophy is dynamic so we focus heavily on the human capital and technological resources that we determine will make the greatest impact on the effective execution of that philosophy. Outlined below are three main components of structuring, maintaining, and updating portfolios.

1. *Strategic asset allocation (structuring & maintaining)*: Over the long-term, a portfolio's strategic asset allocation posture will have the largest impact on both the volatility and performance the portfolio achieves over time. Given its foundational structure, we develop prudent strategic asset allocation targets for each client. This process creates a diversified portfolio poised to help weather multiple market environments and it seeks to provide the highest probability of the client meeting their long-term objectives.
2. *Opportunistic asset allocation (updating)*: Although our focus is on establishing an appropriate long-term strategic asset allocation structure for each client, it is not a static process. We also believe significant market inefficiencies (opportunities) develop periodically in various areas of the global financial markets. We help our clients evaluate these opportunities and, if appropriate, recommend dynamic portfolio allocations to those strategies we feel will be additive to meeting the client's overall long-term objectives. Our researchers and consultants keep an eye to the horizon by regularly engaging with investment managers and industry professionals as well as analyzing capital markets to identify, evaluate, and implement, dynamic allocation opportunities for our clients. It is important to note, we do not recommend "market-timing" calls in client portfolios.
3. *Active & passive management*: While manager and vehicle selection are lower on the decision tree than portfolio asset allocation issues like structuring, maintaining, and updating, we believe a viewpoint on active and passive management does represent an investment philosophy on portfolio construction. We believe active and passive management can, and should, coexist in an effective investment portfolio. As a result, the use of active and passive investment strategies in a portfolio does not have to be an either/or proposition for a client. While passive strategies have a persistent cost advantage relative to active strategies, in certain asset classes, skilled investment managers have shown the ability to outperform their respective market proxies on a risk-adjusted basis. Our Research Department is dedicated to finding investment managers and strategies that are generally prudent, institutionally appropriate, complement other portions of the portfolio, and have the potential to add alpha to a portfolio over time.

At AndCo, we strive to provide objective and value-added investment consulting services to our clients with unrivaled service. In our strategy statement we specifically outline the below items as our competitive advantage.



Reinvestment:

We are currently reinvesting 100% of our net profits to enhance our customized service model to better serve our institutional clients.

Customization:

We consult and advise to each plan. We believe each client is unique and to provide appropriate solutions for each client you need the ability to be flexible and meet the demands of each client. The AndCo service framework supports customization and the ability to solve unique challenges for our clients.

Independence:

Independence is the foundation of AndCo. We strive to challenge the traditional sense of independence and go above and beyond in seeking to avoid situations that create or even have the appearance of a conflict of interest. This level of true independence supports our ability to put clients first in the decisions we make or recommendations we offer on our client's behalf. Further, this independence allows us to provide our clients objective advice. We believe this gives us a higher probability to add value for our client relationships.

Passion:

We love what we do and more importantly who we do it for. We look to hire team members that will retire at AndCo. Our firm isn't a stepping-stone for another opportunity. Our team members want to be at our firm based on our Mission, Vision and Values. Our team is passionate about our approach and this passion creates a strong culture which helps differentiate AndCo.

2. Describe your firm's experience in developing and reviewing investment policies and strategies for clients.

Our firm has extensive experience working with clients to assess and understand their portfolio's investment objectives, risk tolerance, and liquidity requirements as part of the investment policy statement (IPS) recommendation process. At the outset of a client relationship, one of our first and most critical tasks with the client will be to review and suggest potential revisions and/or updates to their existing investment policy statement (IPS). Alternatively, if there is no current IPS, we will draft a new document for the client's consideration. Regardless of the approach, we build/review IPS documents through a consistent framework of the appropriate portfolio "definitions" generally based on the following elements:

- Definition of the beneficiaries and/or purpose the portfolio's assets ultimately serve
- Definition and description of fiduciaries, their duties and responsibilities, and those of interested parties
- Definition of any legal, statutory, or organizational constraints, as well as other unique conditions relevant to the portfolio or its administration
- Definition of portfolio investment objectives, risk tolerance, time horizon, and known liquidity requirements
- Definition of overall performance objectives and portfolio evaluation criteria
- Definition of the portfolio's strategic target asset allocation structure and allowable ranges around the stated targets
- Definition of portfolio rebalancing conditions and/or distribution policies



- Definition of underlying investment guidelines (risk controls) for each target asset allocation segment
- Definition of the process for selecting, monitoring, and potentially replacing portfolio investment strategies
- Definition of the process for periodic IPS review, exception granting (if any), and future modifications

When approached thoughtfully with the client, each of these elements come together naturally as a cohesive, effective IPS for the portfolio. While the IPS represents a long-term strategic plan, it is not designed to be a static document. Since clients, their objectives and constraints, and capital markets evolve over time, the IPS should be viewed as a “living document” that requires ongoing maintenance in the form of updates and/or modifications over time as conditions change.

3. Describe your firm's methodology for reviewing asset allocation, asset liability reviews, and manager structure reviews. Include the following:

a. Theory and methodology

Asset Allocation Process

AndCo conducts comprehensive asset allocation studies, and we work closely with clients through a framework tailored to reflect their portfolio's unique investment objectives, risk tolerance and cash flow requirements (liquidity). The asset allocation process from “raw inputs” to “client output” consists of four broad steps:

1. *Determine Assumptions:* We first define reasonable return, standard deviation (risk) and correlation input assumptions that focus the asset allocation study on asset classes (and proxies) suitable for the client's portfolio. We select these asset classes using our own investment philosophy, the client's investment policy statement, current portfolio allocations, and oral input from the client. While AndCo will work with clients if they prefer to utilize a different set of capital assumptions, we currently utilize the J.P. Morgan Long-term capital market assumptions for our asset allocation model inputs. The process of utilizing J.P. Morgan assumptions along with other institutional sources allows AndCo to effectively propose and build customized asset allocation structures for our unique, institutional clients that are backed by time tested methodologies and compared to alternative methods for reasonableness.
2. *Computer Modeling:* Once asset classes and assumptions are set, we run a variety of range-based, mean-variance optimization scenarios. These scenarios allow us to review a number of potential asset mixes with the client and help determine the target asset class mix that most closely balances the client's investment objectives, risk tolerance, and portfolio liquidity requirements. To further stress-test a potential target asset mix, we also perform Monte Carlo simulations on potential asset mixes. These simulations generate the probabilities of a given asset allocation's expected return and standard deviation achieving the client's goals over time. These probability distributions are useful in evaluating potential outcomes and downside loss probabilities. The simulation tool also allows the application of inflation adjustments, expenses, and future cash flows for a more detailed review of potential outcomes.
3. *Qualitative Overlay:* We believe that asset allocation models and simulation help create a useful framework for observing and understanding the statistical aspects of asset

allocation scenarios. However, it is important to realize this framework does not contain the precognition to determine future results. After determining what appears to be an appropriate asset allocation using modeling and simulation, we assist our clients in reviewing and assessing qualitative, real-world factors related to the implementation requirements of potential asset mixes and underlying investment strategies with respect to the client's portfolio objectives and risk tolerance.

4. **Report Formulation & Policy Update:** The final step in the asset allocation process is to present a clear summary of the asset allocation study's recommended findings along with the necessary investment policy statement updates to the client. Since the asset allocation process is about setting long-term portfolio goals and constraints, it is critical for the client to "buy into" the overall decision-making process. This level of client understanding will promote the strategic implementation and modification of asset allocation strategies over time and help to avoid reactive decision-making due to short-term capital market volatility.

**These processes incorporate estimates and projections which are inherently speculative and subject to various uncertainties whereby actual outcomes or results could differ materially from those indicated.*

Asset Liability Modeling

Asset-liability modeling plays an important role when seeking to select optimal asset mixes that are customized to each unique pension plan. An ALM-based approach reflects plan specific risk and return measures, objectives, and constraints and addresses plan specific risk drivers, such as liability structures, cash contribution requirements, and pension laws to name a few.

The main steps when seeking to select optimal asset mixes based on asset-liability modeling typically include the following:

1. **Objectives and Constraints**

Initial discussions are carried out to establish key objectives and constraints for any ALM modeling. This includes but is not limited to portfolio returns and volatility targets/limits, unique portfolio constraints, funded status targets and downside tolerance, cash contribution policy targets and upside tolerance, and new entrant demographic profiles for ongoing (not frozen) pension plans.

2. **Actuarial Modeling**

All actuarial data is collected from the plan's actuary, including actuarial reports, pension liability cash flows, cash flows for present value of future benefit (PVFB), and complete pension plan participant census data when full actuarial modeling is required. We replicate actuarial numbers from the actuarial reports either using Liability/PVFB cash flows or complete pension plan participant census data. This analysis provides a solid foundation and baseline for our ALM modeling, which represents similar actuarial valuations carried out for each of the future 10-20 or more years and for each of 10,000 or more simulated trials.

3. **Capital Market Assumptions (CMA) Modeling**

Using our Capital Market Assumptions, we simulate thousands of asset class returns and yield curve term structures which serves as the main building blocks for our ALM modeling. We use comprehensive Capital Market Assumptions covering all major asset classes and yield curve term structures. Our Capital Market Assumptions can

also be regime sensitive and time varying to better approximate real-world expectations.

4. ALM-based Stochastic Simulations and ALM Reporting

Once we replicate numbers from the actuarial reports and we simulate all asset class returns and yield curve term structures, we are ready to carry out ALM-based stochastic simulations. Along each simulated trial for asset returns and yield curve term structures over the following 10-20 year or longer horizon, we determine future demographic populations based on the new entrant profiles, and then determine actuarial liability and present value of future benefits (PVFB). Once liability and PVFB are calculated for each future period, we calculate cash contribution requirements, funded status, pension expenses, and other costs over the future horizon. Then, we repeat this process 10,000 or more times as part of stochastic simulation and group the results in charts and tables. This ALM simulation process is then repeated for several different asset mixes and the optimal asset mix is chosen based on each client's unique objectives and constraints. All the results are summarized in our comprehensive ALM report.

5. Optimal Asset Mixes using ALM-based Stochastic Simulations

ALM-based stochastic simulation is a beneficial and flexible methodology in seeking to select optimal asset mixes customized to each pension plan.

The benefit of ALM-based stochastic simulations lies in their flexibility to reflect the broad range of unique characteristics of each pension plan. Once ALM simulations are established, we can run various asset mixes through such simulations and analyze the results based on Risk and Return measures important to each pension plan. Examples of Return measures include expected portfolio return, expected funded status, expected contribution level, and others. Examples of Risk measures include standard deviation of portfolio returns, downside deviation of portfolio returns, downside level of funded status, upside level of cash contributions, and others.

Once the ALM study is set up and Risk/Return measures are selected, we run numerous asset mixes through ALM simulations, analyze the appropriate results, and chose what we deem to be the optimal asset mixes unique to each pension plan that aim to maximize the selected Return measure for each unit of the selected Risk measure.

6. Dynamic Asset Allocation or Glidepath based on ALM Studies

Dynamic asset allocation or Glidepath is an advanced custom-built investment strategy which involves many asset mixes such that each asset mix is only executed when some conditions are met, i.e. when certain triggers are reached. Pension plans can especially benefit from such Dynamic asset allocation or Glidepath strategies since pension plans have specific triggers that define investment regimes where different investment strategies may be optimal. Typical triggers include funding ratios, discount rates, yield curve levels, economic cycles, and others. For example, as funded status increases, the Glidepath may dictate a less risky strategy to help reduce the chance of the funded status reducing during a market selloff. Alternatively, for example, as interest rates increase, the Glidepath may call for a greater allocation to bonds since bonds may be more attractive to lock in higher yields as higher interest rates may indicate the approach of recession.

We customize Dynamic asset allocation or Glidepath strategies considering each client's unique objectives and constraints resulting in plan specific triggers.

We use ALM Studies to develop such Dynamic asset allocation or Glidepath strategies and then we compare the results to traditional static strategies.

7. Ongoing Monitoring and Rebalancing

Each strategy is only as good as its execution. As such, we can provide clients with Ongoing Monitoring and Rebalancing reports which generally include our estimation of pension liabilities, PVFB, funded status, cash contributions, and other important pension risk drivers. Typically, such information is only provided by the actuaries once per year after the completion of the actuarial valuations, but we can provide such comprehensive reporting throughout the year on a quarterly, monthly, or even more frequent basis upon client's request.

We utilize the following tools when performing asset/liability modeling for our clients:

- **ProVal**

We use ProVal to replicate the primary results from the pension plan's most recent actuarial valuation. ProVal is the industry standard actuarial valuation software used by many actuarial consulting companies. AndCo has significant practical experience working with ProVal and, as a result, can effectively replicate results produced by the pension plan's actuary. ProVal is also used to run projections and simulations based on the baseline assumptions.

- **Matlab Programming**

We utilize inhouse built Matlab-based software programs to carry out numerous ALM-based stochastic simulations. Our Matlab programs are synchronized with ProVal-based baselines and then run for many different asset mixes and liability scenarios, allowing us to perform ALM-based portfolio optimizations. Matlab-based software programs are also used extensively to automate our ALM-based reporting systems

- **Excel-based ALM Model**

Our Excel-based ALM Model is typically used for control purposes only. We synchronize the stochastic trials done in ProVal, Matlab, and Excel to provide redundancies and serve as an effective risk management system providing checks and balances.

Manager Structure

AndCo has extensive experience in structuring a portfolio's underlying management structure. Each consultant-led service team, in partnership with our Research Department, works with their assigned clients on an ongoing basis to build, evaluate and evolve an effective manager structure for their respective investment portfolios. Since each client is unique, we strive to build customized portfolios of investment strategies that blend together to create opportunities for client success. Depending on the client's needs and objectives, an optimal manager structure could consist of a combination of active and passive strategies as well as public and private investment structures. Each of our strategy recommendations are supported by extensive research and independent analysis.

AndCo maintains active coverage across asset classes and strategies through our deep and experienced Research Department. Since the Research Department does not have



direct client service responsibilities, they remained focused on asset class and strategy evaluations as well as idea generation. Each dedicated consulting services team regularly interacts with the Research Department to evaluate potential ideas that are appropriate for their client portfolios. In addition, the consulting team, through its interaction with AndCo's Investment Policy Committee, can also request Research Department support for an asset class or strategy idea they sourced for potential use in a client portfolio.

b. Description of your firm's capital markets model. Source of the model (proprietary or outside vendor)

AndCo recognizes the difficulty with forecasting the future performance, risks, and correlation relationships of different asset classes. Given this difficulty, we place a heavy emphasis on the methodology and consistency of the forecasts when analyzing a source for potential performance, risk, and correlation assumptions. While AndCo will work with clients if they prefer to utilize a different set of assumptions, we currently utilize the J.P. Morgan Long-term capital market assumptions as our asset allocation model inputs. The J.P. Morgan assumptions are backed by a consistent methodology and have been updated on an annual basis since 1998 for use by institutional investors. We also review the capital market assumptions issued by other financial institutions and investment managers. Since the J.P. Morgan assumptions come from an outside source, this comparison helps us determine the reasonableness of our assumption inputs. Finally, since asset class assumptions are not always present for each asset class and/or opportunity being considered, we will also combine assumptions to create reasonable proxies for allocations in both current portfolios and for those being considered for future potential allocations.

c. Development of inputs to the model (standard inputs or customized by client)

When developing inputs to the model we first define reasonable return, standard deviation (risk) and correlation input assumptions that focus the asset allocation study on asset classes (and proxies) suitable for the client's portfolio. We select these asset classes using our own investment philosophy, the client's investment policy statement, current portfolio allocations, and oral input from the client. While AndCo will work with clients if they prefer to utilize a different set of capital assumptions, we currently utilize the J.P. Morgan Long-term capital market assumptions for our asset allocation model inputs. The process of utilizing J.P. Morgan assumptions along with other institutional sources allows AndCo to effectively propose and build customized asset allocation structures for our unique, institutional clients that are backed by time tested methodologies and compared to alternative methods for reasonableness.

d. Current inputs to the asset allocation model including expected returns, standard deviations, and correlation coefficients for all significant asset classes for which the firm has developed inputs.

Please see **Exhibit H** for the most recent inputs to the asset allocation model including expected returns, standard deviation, and correlation coefficients. Our asset allocation modeling seeks to encompass a broad spectrum of public and private asset classes and categories. The following is a list of the asset categories that we typically include.

- US Cash
- US Aggregate Bonds
- High Yield Bonds



- Leveraged Loans
- Global Bonds
- Emerging Market Bonds
- US Large Cap stocks
- US Mid Cap stocks
- US Small Cap stocks
- International Developed Equity
- Emerging Market Equity
- Private Equity
- Private Real Estate
- Infrastructure
- Hedge Funds
- Private Debt
- Commodities

e. If the firm has a recommendation for frequency of these reviews, state provide the firm's current recommendation.

A review of current asset allocation positioning and manager structure are a part of every client performance report. As a result, asset allocation and manager strategy discussions occur naturally at every client meeting. While a comprehensive evaluation is included in our quarterly performance reports, these components are also reviewed when we meet with a client using shorter, monthly flash reports. Formal asset allocation studies and asset/liability reviews are done less frequently. We have provided a high-level outline of the recommended frequency of each review below.

Asset Allocation Review:

For asset allocation reviews, quarterly and monthly valuations represent “check ins” on the current portfolio’s positioning relative to long-term strategic targets contained in the investment policy statement (IPS). These asset allocation discussions may include rebalancing recommendations if the portfolio has shifted too far away from its long-term targets. While discussions during regular meetings are normally centered around maintenance items within the portfolio’s current asset allocation structure, they may also result in the initiation of a more formal asset allocation or asset/liability study.

Manager Structure Review:

For manager structure discussions, quarterly and monthly valuations represent the opportunity to review performance attribution and evaluation of the portfolios underlying management strategies. AndCo maintains a technologically robust performance measurement and reporting system to provide custom, clear, and accurate portfolio and strategy appraisals to clients. These reviews also include the consulting team conveying qualitative strategy updates that are not visible in the quantitative analysis of the portfolio’s strategies. Depending on the criteria contained in the client’s IPS, strategies that fail to meet objectives over time may be placed on watch or slated for termination after reviewing and selecting viable replacement strategies through a search or open-RFP process. In addition to reviewing the portfolio’s existing manager structure, these client discussions could also lead to the consideration of new strategies for the portfolio if they fall within the current IPS or the

initiation of a more formal asset allocation or asset/liability study if the new strategies require an IPS revision.

Asset Allocation Study & Asset/Liability Review:

Finally, while periodic discussions that occur around the asset allocation and manager structure issues described previously could result in an “off-cycle” asset allocation or asset/liability study, under normal circumstances, we recommend the re-adoption of the existing IPS on an annual basis and conducting a formal asset allocation or asset/liability study in three year increments from the previous study.

f. Samples of an Asset Allocation Review and an Asset/Liability Modeling Study.

Please see **Exhibit G** for a Sample Asset Allocation Review and a Sample Asset/Liability Modeling Study.

g. The firm's most recent five (5) years of capital market assumptions (projected returns, volatilities and corrections).

Please see **Exhibit H** for the most recent five (5) years of capital market assumptions.

4. Describe how your firm develops a target allocation recommendation for a client. Provide a sample allocation that you are currently recommending for a client similar to TCERA.

Since each client's goals, objectives and portfolio constraints (i.e., risk tolerance, statutory, liquidity, etc.) can be unique, we go into each client relationship with an open mind and avoid the use of any default or standard target allocation strategy. We work with each client to understand what their objectives and constraints are, as well as how they work with managers, before we begin running asset allocation scenarios and work toward structuring potential strategic asset allocation recommendations. As a result of this thoughtful approach, portfolios across AndCo's client base deploy a wide range of target asset allocations based on the specific objectives and constraints of their respective portfolios.

Outlined below are current ranges of the main asset classes our firm is generally recommending for our clients based on their unique goals and objectives:

- **Domestic, International and Emerging Markets Equities (30%-70%):** This tends to be the largest combined target allocation across both capitalization (Large/Mid/Small) and style (Growth/Core/Value). Typically, the only time the collective Domestic, International and Emerging Markets Equity allocation falls below 30% is in conservative portfolios where annual capital preservation is the main objective.
- **Private Equity (5%-15%):** The percentage allocation to this asset class has generally increased in client portfolios over the past decade due to the higher return potential (growth & illiquidity premium) relative to public equity markets.
- **Private Debt (5%-15%):** The percentage allocation to this asset class has also increased over the past decade due to the persistently low yields available from high quality, traditional fixed income securities as well as to take advantage of opportunities that have been created by various market dislocations.



- **Private Real Estate (5%-15%):** The percentage allocated to this asset class has also increased over the past decade due to low fixed income yields, which has made real estate more attractive relative to traditional fixed income. These allocations are typically filled with a combination of core and value-add strategies using both open and closed-end vehicles.
- **Other Alternative Asset Classes (5%-15%):** This type of allocation could include Infrastructure, Hedge Funds, and/or GTAA (Global Tactical Asset Allocation) strategies that do not fit into one of the categories above.
- **Fixed Income (5%-35%):** As noted previously, allocations to traditional fixed income have been decreasing due to historically low yields available in investment grade securities and the resulting lower return expectations. While traditional fixed income still plays a vital role as an overall portfolio risk (volatility) mitigation strategy and as a source of liquidity, where permissible, we have shifted allocations away from an exclusive reliance on traditional core and core plus strategies. Similar to equity portfolio structures, fixed income portfolios have become more segmented with allocations to strategies such as global bonds, emerging market debt, high yield, bank loans, and specialty credit.

As stated previously, these allocation targets may not be appropriate for all clients based on their specific objectives and constraints. When they are appropriate, these target allocation recommendations occur over time based on evolving client needs, investment education, and market opportunities. Please see **Exhibit P** for a Sample Allocation we are currently recommending to a client similar to TCERA.

5. Describe the firm's view of tactical/dynamic asset allocation.

Opportunistic (Tactical) Asset Allocation

AndCo's definition of opportunistic asset allocation is decisions based on taking advantage of tactical, limited-term (approximately 12 to 36 month) opportunities and/or dislocations that occur periodically across global capital markets. These opportunistic allocations are not short-term timing or trading-based decisions, rather these prospects develop over a period of time as a result of structural market shifts or other extraneous events. While each occasion is unique, the common theme is that a structural dislocation creates a limited window for potential investment allocation and the opportunity will mature and dissipate over time. Based on this definition, opportunistic asset allocation decisions are separate and distinct from long-term strategic asset allocation targets which are perennial allocations in a client's portfolio. However, a well written investment policy statement can be structured to provide the flexibility necessary to take advantage of potential tactical asset allocation opportunities within the client's broader strategic asset allocation and risk tolerance.

Dynamic Trading-Based Asset Allocation

AndCo's definition of dynamic trading-based asset allocation is simply "market timing" (i.e., short-term portfolio shifts in and out of asset classes) and we do not recommend trading-based asset allocation decision-making for client portfolios. Capital markets are not always efficient, and as a result, attempting to shift a portfolio's asset allocation in anticipation of, or in reaction to, short-term market moves is a losing game. Further, due to the nature of dynamic trading-based asset allocation decisions, every shift requires two distinct portfolio decisions – "when to get in" and "when to get out" or vice-versa. Even if

short-term market-timing calls worked consistently, which they do not, institutional client portfolios are simply not structured for dynamic trading-based asset allocation decision-making.

6. Describe the firm's experience in evaluating alternative investment managers (e.g. real estate, private equity, co-investments, secondaries, hedge fund, real assets, etc.)

AndCo's experience evaluating alternative and private investments goes back to the firm's inception in 2000, as many of our initial clients held alternative assets in their portfolios and we have advised them regarding new investment opportunities in these market segments. The firm has consistently invested in this area to address client needs and in response to the continually evolving investment landscape and growing complexity of alternative investment opportunities.

AndCo utilizes a high touch approach to private markets sourcing and client education. Approximately 50% of the Research Department is responsible for alternative and private investment research which provides us significant analyst to client coverage for clients with private investment programs. We believe this ratio is better than most of our competitors and allows us to provide highly tailored and customized alternative and private investment program client service. The primary services we provide include but are not limited to the following:

- Assisting Plan Trustees and Staff in the development of an optimal private markets portfolio that is both comprehensive and diversified from a style, sector, vintage year, region, and consistency of performance perspective
- Conducting manager sourcing and due diligence on alternative/private investments to include private equity, private credit, hedge funds and real estate (including core, value-add, and opportunistic strategies)
- Performance reporting and benchmarking specific to private investments and the unique nature of each asset class; this includes comparing performance against strategy peers, vintage year, and public market equivalents (PME)
- Creating tailored pacing models for clients and providing ongoing monitoring; pacing models are updated on an annual basis or as needed if there are changes in Plan dynamics (i.e. allocation changes, updated cash flow in or out, change in assumed rate of return, updated actuary estimated longer term Plan growth rate)
- Tracking the deal pipeline, program pacing and liquidity calendaring
- Operational Due Diligence

AndCo's research process also utilizes the industry experience of its many investment consultants that actively participate in the analysis and evaluation of alternative asset class managers. Our consultants are on the front lines dealing with alternative investment managers on a day to day basis and they also understand the needs and objectives of our clients. Thus, we have constructed our research effort to incorporate the experience of our consultants because of the knowledge and perspective that they add to the process.

AndCo has an experienced team within its Client Solutions Department which is responsible for client performance measurement, reporting, and administration. The team



is seasoned and experienced. The department is especially skilled at recording cash flows, tracking unfunded commitments and providing accurate performance measurement on various metrics within private market investments (IRR, TVPI, DPI, etc.). This team utilizes one of the industry's leading performance measurement and reporting systems, Investment Metrics PARis. This system provides significant capabilities for both public and private investments.

AndCo builds tailor-made private portfolios for our clients. Every client has their own specific requirements and therefore we do not use a cookie cutter approach. As such, AndCo has sourced strategies for a single client as needed to build a truly customized and optimal private markets portfolio. In addition to our Research Department, our Consulting and Client Solutions Departments are also leveraged as we manage client's private investment programs as detailed below:

AndCo identifies alternative and private investment managers through a variety of sources including private market databases, investment manager relationships, third-party marketers, industry publications, our consultants, and especially our clients. We are continually sourcing managers to ensure we have a variety of quality options available to suit our client needs. We feel it is important to cast a wide net and therefore also meet with and follow managers who are less established and are progressing through their early fund vintages. This allows us to identify and introduce our clients to up and coming emerging managers with the goal of creating more meaningful and beneficial general partner relationships. Managers and our interactions with them are logged in our proprietary software database.

In addition to extensive due diligence conducted over numerous meetings, conference calls and onsite visits with the manager prior to issuing a recommendation, AndCo's Research Department conducts a multi-faceted analytical review of past performance to determine high potential for consistency, repeatability, and durability of the track record. This analysis consists of a detailed performance evaluation relative to peer universes across vintage years as well as a comparison to public market equivalents. Furthermore, the team conducts deal by deal analysis which seeks to identify which deal leads within the general partner were responsible for the success or failure of the investments over the firm's history. The goal is to determine if there are individuals critical to the success of prior funds who are either no longer with the organization, making future success more unlikely, or if those individuals will continue to remain integral components of future funds, which gives us greater confidence to recommend an investment.

From an ongoing monitoring perspective, AndCo conducts client private market "Barometers" to assess the health of legacy investments. Typically on a bi-annual basis, analysts will classify strategies based on five criteria: Too Early to Assess, On-Track, Below Expectations, Realized Performer and Realized Underperformer. These classifications are based on the performance of realized investments in combination with a client's total distributions-to-paid-in capital (DPI). Strategies with generally less than three years of history, and less than 50% called capital will be classified as Too Early. Those with greater than 5 years of history and generally more than 80% DPI will be classified as either Realized Performers or Realized Underperformers based on the experience achieved via the realization of early fund investments. Funds that fall between these two criteria are labeled as On-Track or Underperforming based on the same performance criteria used for more seasoned funds. The performance assessment is somewhat subjective, as it is based on the probability that the fund will achieve its stated objective, but also in combination with

how it compares to similar funds launched in the same vintage year. It is from this exercise that we can guide clients on the potential attractiveness of removing a fund from the portfolio via the secondary market.

AndCo believes that program pacing is an essential element of a successful private investment program. Commitments must be made on a consistent basis to maintain the allocation target. Our pacing methodology guides the investment process by taking into consideration portfolio target size, legacy portfolios, expected cashflows and the assumed growth rate of the total plan. Our pacing model utilizes historical data as well as future assumptions to make predictions on future cash flows. We run this analysis on an as needed basis to adjust for changes in the market and client portfolios. Utilizing these pacing projections provides us a more informed forward-looking view to assess future commitments and thereby limit the potential for vintage year risk. Research has shown that next to manager selection, vintage year diversification is a key long-term aspect in supporting a successful private markets program.

AndCo views liquidity calendaring as an extension of the private investment program pacing process. Private funds have a finite life and as mature funds payoff, new investments must be continually made to keep the program on track and in good condition. We believe that our clients should diversify their private investments by vintage year to avoid vintage concentration and to help smooth the cash flow profile of the program. Our process for developing liquidity calendars requires collaboration with our clients and takes into consideration the entire plan. The intended outcome of this process is to provide a prospective guide for our clients' private investment program.

7. Describe your firm's view regarding the implementation of alternative investments for a fund of TCERA's asset size and staffing levels, including minimum/maximum suggested allocations.

AndCo has significant experience in implementing alternative strategies in a client's portfolio. For clients open to or already utilizing some alternative strategies we provide the following resources:

- Assisting Plan Trustees and Staff in the development of an optimal private markets portfolio that is both comprehensive and diversified from a style, sector, vintage year, region, and consistency of performance perspective
- Conducting manager sourcing and due diligence on alternative/private investments to include private equity, private credit, hedge funds and real estate (including core, value-add, and opportunistic strategies)
- Performance reporting and benchmarking specific to private investments and the unique nature of each asset class; this includes comparing performance against strategy peers, vintage year, and public market equivalents (PME)
- Creating tailored pacing models for clients and providing ongoing monitoring; pacing models are updated on an annual basis or as needed if there are changes in Plan dynamics (i.e. allocation changes, updated cash flow in or out, change in assumed rate of return, updated actuary estimated longer term Plan growth rate)
- Tracking the deal pipeline, program pacing and liquidity calendaring
- Operational Due Diligence

We view alternative investments as a potential way to reduce volatility and enhance returns for appropriate client plans. We define an alternative investment as anything that

might fall outside of the traditional asset classes of stocks, bonds, and cash. We believe there will be a continued reduction in traditional assets class exposures in favor of alternative, private market investment strategies. At the cost of giving up liquidity, alternative strategies can potentially add value above their fee and potentially protect the Plan assets from major capital impairments.

We believe the optimal private markets portfolio is one that considers a Plan's goals, objectives, liquidity needs, and risk profile. AndCo looks to build a diversified portfolio across various styles and vintage years. Clients should not overly concentrate in a particular vintage year or style. We prefer managers with a proven history of delivering consistent returns while staying true to their stated investment process and philosophy.

Regarding allocation to alternatives, we would reiterate some of our comments provided in Section C #4. We believe that an optimal private markets exposure for a client looking to utilize these strategies should be between 5%-15% for each general asset class: Private Equity, Private Credit, Private Real Estate, other alternative assets (i.e. infrastructure). These allocations are based the Plan's total portfolio, liquidity needs, return objectives, and target risk profile. For example, we have implemented client portfolios with 10% Real Assets (including real estate and infrastructure) and 10-15% Private Equity and Credit. In the end, every alternative portfolio construction is unique to each client and requires significant discussions on the comfort level of trustees investing in these areas and the need for clear objectives for utilizing these strategies.

8. Describe your firm's view of the use of leverage in a public fund investment portfolio.

Leverage and derivative structures are common components of most alternative investment strategies. In fact, a strategy's targeted use of leverage and/or derivatives in the execution of an underlying alternative investment strategy may be a central factor driving expected returns.

While we can support the use of leverage and derivatives in the execution of an investment strategy by a professional investment manager, we do not believe public funds should leverage their overall portfolio with an unmanaged or derivative overlay. We believe that leverage should be controlled and evaluated strictly at the investment strategy level and within the context of the overall portfolio.

9. Describe the firm's view on rebalancing including targets, ranges, frequency, and implementation methods.

The appropriate rebalancing policy for a client will be based on the client's underlying governance structure that defines who has the authority to effectuate rebalancing transactions. This authority could reside with the client's board or be delegated to a sub-committee of the board or its staff, or in the case of a discretionary consulting relationship, to the investment consultant.

Regardless of a client's governance structure, AndCo recommends each client's investment policy statement (IPS) clearly spell out the portfolio's rebalancing authority as well as the general conditions under which that authority will be exercised. In the most common application of a rebalancing policy, a client's IPS asset allocation targets also include a series of allowable ranges around their respective targets. These ranges could be defined linearly (e.g., +/-5%) for all asset classes or more variable based on the size of each asset class's allocation or its expected volatility. The rebalancing policy should also

include clear statements regarding the frequency of measurement (i.e., monthly, quarterly, etc.), how interim (off measurement period) cash flows will be allocated, and the potential conditions, if any, where the portfolio may consider rebalancing transactions even though the portfolio is not outside of its allowable ranges or at a specified measurement period.

While rebalancing policies vary based on a client, a well-designed rebalancing strategy contained within the client's IPS is one that provides clear guidance along with sufficient flexibility to allow for the execution of sound, cost-effective portfolio decisions without significant disruption to the portfolio's normal operating needs or its underlying investment manager structure.

10. Describe your firm's views of active versus passive management.

AndCo believes active and passive management can, and should, coexist in effective investment portfolios. As a result, the use of active and passive investment strategies in a portfolio does not have to be an either/or proposition for a client. Passive strategies are an effective tool for gaining cost-effective, liquid exposure and to manage overall asset allocation exposures. While passive strategies are not available for every asset class, and construction methodologies vary from full replication to stratified sampling across asset classes and providers, AndCo believes passive strategies are a valuable part of portfolio construction. However, passive strategies are not a total portfolio solution.

The persistent cost advantage of passive strategies relative to active strategies is their primary draw. For example, the highly efficient nature of certain asset classes such as domestic large cap equities create persistent challenges for active managers to consistently outperform the benchmark net of the active strategy's management fee. However, in certain asset classes, skilled investment managers have demonstrated the ability to outperform their respective market proxies on a risk-adjusted basis. Our Research Department is dedicated to finding investment managers and strategies that are generally prudent, institutionally appropriate, complement other portions of the portfolio, and have the potential to add alpha to a portfolio over time. Depending on the client's needs and objectives, an optimal manager structure could consist of a combination of active and passive strategies as well as public and private investment structures. Each of our strategy recommendations are backed by extensive research and independent analysis.

We will often recommend a core/satellite approach for passive and active strategies within a broader asset class. This approach implements a passive strategy as the "core" allocation within the asset class and supplements this exposure with one or more active "satellite" strategies we believe will add value over time. Taken together, the "core" allocation provides the asset class's beta exposure at a low cost while the "satellite" allocation(s) use their flexibility to generate alpha through different security weightings and selection than the benchmark.

11. Describe recent market conditions or concerns, if any, which have caused your firm to recommend significant changes to client portfolios. Describe any such recommendations.

While AndCo was founded in 2000 and has helped guide and advise institutional clients through multiple extreme market conditions, several of our professionals have been in the business of investments for many years longer. This means AndCo as a whole and many



of our individual team members have lived, managed, and advised clients through various periods of extreme market volatility. While our ongoing consultant advice and assistance to clients and their portfolios is largely process driven based on each client's needs and objectives, during periods of market disruption, the approach is about managing emotions and drawing on our experience to serve our institutional clients and utilize the period of extreme market volatility as a way to add long term value.

Absent of regular client communication and guidance, maintaining a focus on long-term strategic goals could take a back seat to addressing immediate fears and a "do something" attitude toward portfolio decision-making. During periods of extreme market volatility AndCo steps up to meet our client's emotional needs with frequent touch-base calls, attendance at special meetings as well as periodic and helpful handouts and market insights focused on alleviating client distress and keeping things in perspective. These perspectives and insights are guided by our experience in previous periods of market volatility. Emotional support aside, while not always available, we use periods of extreme market volatility to examine the landscape and identify potential investment opportunities for our clients to consider for their portfolios. When identified, these items are not market-timing trades, but rather tactical and/or structural opportunistic shifts that arise out of the distress and dislocation created by the market volatility. We design our clients' investment policy statements with these opportunities in mind by including prudent, but flexible, ranges around long-term asset allocation targets.

While markets will always fluctuate, effective investment consulting requires continuous work during all market environments. We feel strongly that periods of extreme market volatility should not induce strategic asset allocation policy changes if the client's long-term goals and objectives remain unchanged. What we have identified from advising clients over the years is the importance of maintaining IPS discipline and using market disruptions to rebalance our client portfolios back to strategic IPS targets. Along with rebalancing discipline, it is also important to continue canvassing the investment landscape for potential opportunistic investments and understand their potential merit within each client's strategic asset allocation.

12. Describe your firm's methodology for assessing risk in a client's portfolio. Include a description of any recent changes to that methodology. Include a description of public pension fund risks and information regarding the firm's use of risk measurements and risk budgets.

Each client's consulting team is responsible for the evaluation and mitigation of risk management at the portfolio and manager level. Each consulting team is further supported by our Research Department's evaluation of strategic asset allocation structures and ongoing manager evaluation and due diligence. Our Consulting and Research Departments are effectively integrated and overseen from an investment risk perspective by our Investment Policy Committee that reviews and approves individual manager strategies for client portfolios.

We believe multi-layered risk management is central to investment consulting and extends well beyond the observable measurement of portfolio or manager volatility. Risks can appear in a variety of forms and consultants must use different tools and assessments to effectively mitigate them. Some examples include assessments of:

Compliance Risk – We provide a quarterly summary of each client's overall portfolio and underlying investment management strategies relative to the pertinent risk and evaluation metrics in their investment policy statement and address exceptions or violations with recommendations as needed.

Manager Risk – Along with continual assessments of investment manager strategies used in client portfolios by our Consulting Department, every approved strategy is covered by the dedicated research analyst(s) covering the asset category. The evaluation of these approved strategies is peer reviewed by other research analysts and ultimately voted for approval or non-approval by our Investment Policy Committee. Strategies are reviewed for a variety of elements, but in part to help ensure consistency with the original investment process and thesis. In addition, cross holdings-based analysis is reviewed to mitigate overlap and style concentration within multiple manager portfolios.

Operational Risk – Operational due diligence is also incorporated in our manager research process to evaluate the operational risk associated with the daily management and business functions of investment managers and their underlying strategies.

Liquidity Risk – All portfolios have an ultimate non-investment related purpose (use), so an ongoing analysis of the portfolio's liquidity requirements is needed to help ensure the appropriate blend of liquid and illiquid investment strategies are being utilized. This analysis incorporates an understanding of the client's cash flow needs now and in the future, so we develop and construct pacing models to assist in the management of portfolio liquidity and asset allocation structure.

Risk evaluation and mitigation should be an essential component to investment policy development, asset allocation structure, manager research, and ongoing performance measurement of each client's portfolio. While we are continuously evaluating risk from all levels our methodology and approach has not recently changed.

In an overall public pension framework, our principal steps in addressing risk are to define key risk drivers, including the following:

1. **Funding Status Volatility** - We monitor the client's funding levels as part of our asset liability modeling process. We start with collecting all actuarial data and replicating all actuarial liabilities, funded status and expenses. We provide our clients monitoring reports where we determine in real time the pension liability and funded status in order to show variability of funded status. Furthermore, we conduct asset-liability studies in order to explicitly model volatility of the funded status and contribution volatility utilizing stochastic simulations to analyze pension assets and liabilities under numerous scenarios.
2. **Understand Liquidity** - We constrain our asset allocation optimization with the known and anticipated liquidity requirements of the client. We recognize that some client's portfolios are cash flow negative and will require the ongoing liquidation of assets to pay benefits. Liquidity requirements are also modeled as part of the asset-liability analysis where we project pension payouts over the projection horizon.
3. **Leverage** - Pension plans should measure their success in the dollar weighted return of the assets versus the dollar weighted return of the liabilities. Pension plans in

surplus positions will have an easier time than plans in a deficit position. We will provide some risk measures in key areas.

4. **Volatility** - The pension plan funding volatility directly affects volatility of the income statement and balance sheet. We will document the potential upside and downside to the plan sponsor as it relates to the pension plan with the use of our asset-liability analytics where we model the direct impact on the income statement and balance sheet resulting from pension plan related volatility.
5. **Traditional** - We will publish traditional measures of risk and reward to the sponsor (expected returns, standard deviations, investment policy benchmarks and manager attribution).
6. **Non-Traditional** - We will also publish pension plan specific measures of risk and reward, such as downside deviation of funded status and the cash contribution unique to each pension plan.

As we address the key risks associated with each plan and review and manage the associated drivers, we are able to gain a handle on the overall risk of the plan and aim to help manage it effectively.

13. Describe your firms' perspective on evaluating a consulting firm's performance, including any specific metrics or measurements that are beneficial in that evaluation.

Performance of the portfolio relative to applicable portfolio benchmarks is the most commonly used litmus test to gauge whether your consulting team, and their firm, are adding value to the portfolio and relationship. Clients can readily review portfolio results compared to benchmarks, peer universe rankings, and risk characteristics to see if the asset allocation strategies, investment manager recommendations, and overall cost structure is outperforming a blended market portfolio and a similar peer constituency on a risk-adjusted basis. However, in addition to direct measurable value added over meaningful time periods, we believe clients should also evaluate their consulting team from the outset of the relationship on a variety of other character-based factors that can help lead to solid long-term performance and an overall productive partnership. We have outlined those key elements below:

Trust

Does the consultant always put the client's needs first?

Integrity

Does the consultant adhere to rigorous ethical standards in all activities and recommendations?

Conviction

Is the consultant knowledgeable, informed, and definitive in their recommendations? Does a professional organizational team assist and support the consultant to provide thoughtful insights, answers, and solutions to the client?

Respect

Does the consultant thoroughly explain recommendations and proposed solutions to the client? Does the consultant do their best to present and speak to the client in an understandable style that minimizes industry jargon and technical language?

Performance

As stated in the introduction, if the answer to the factors listed above are a resounding “yes”, the partnership that is formed between the client and the consultant can generally also be observable in the success of the portfolio’s long-term results.

Retention

AndCo measures its own performance based on our ability to retain long-term clients and strategically grow our business through existing client referrals. We are extremely proud of our success in both areas and this achievement is a testament to our commitment to put our clients first and continuously deliver on our promise of excellent client service.

14. Describe your views regarding performance versus asset based fees.

While they are not always feasible for every client or investment strategy, we believe performance-based fees (PBF) represent a valuable opportunity to align the client’s interests and success more closely with their investment managers. We have successfully implemented individual and complete portfolio PBF structures for several clients and their underlying managers.

Using a case study as an example, we assisted a large client through a 6-month project where we negotiated and successfully implemented a PBF structure with 10 of the 12 actively managed separate account managers in their portfolio. During this project we drafted the model agreement fee addendum, negotiated fee terms with each manager (participation and caps), and created the tracking calculation methodology on behalf of the client. The annual base fee savings for the client were significant relative to the legacy, traditional management fees.*

It is important to remember that PBF structures should not be put in place with the goal of saving management fees. Rather, PBFs can lessen the pain of short-term manager underperformance, which encourages additional client patience, and when higher fees are paid to a manager, the client is also experiencing superior performance relative to their benchmark. The PBF structures essentially help to provide patience to institutional investors which allows appropriate time for their investment manager to outperform over a business cycle. When structured and implemented effectively, over long periods of time, traditional and PBF structures should typically result in similar total portfolio fees.

**For illustrative purposes only. There is no guarantee that other clients will experience similar results as various factors can cause actual outcomes to differ materially.*

D. Manager Measurement and Evaluation

1. **Describe your firm's process for analyzing and monitoring investment manager performance. Include information regarding determination of benchmarks and any databases used by your firm. Provide a sample performance report.**

Analyzing and monitoring our client's investment managers, including alternative investments, is an important function that we address through the following multi-pronged approach.

Research:

On a quarterly basis, our Research and Client Solutions Departments make a concerted effort to send out compliance questionnaires to Research-approved strategies and strategies with client exposure. The questionnaire generally covers quantitative elements such as relative performance, peer group percentile ranks and volatility metrics. Besides quantitative factors, they also request qualitative information pertaining to the sale of the firm, team turnover, SEC investigations, cash flows into and out of the fund, etc. This step is merely the beginning. In addition, each research analyst interacts with managers within their areas of coverage on a regular basis and is typically notified of any changes at the firm in question in a timely manner.

On a scheduled basis, on a cadence that is in accordance with firmwide exposures and each analyst's forward looking view of the category, research analyst's will conduct regular Category Reviews of the areas they are tasked with monitoring. These reviews are holistic in nature and evaluate every strategy that is approved for use with AndCo clients and compares those strategies to the universe at large. Part of this process involves working with our consultants to gauge the needs and interests of our clients and determining if there are any gaps in our list of recommended strategies in terms of style, capitalization, factor, vehicle type or portfolio construction. This two-pronged approach allows each analyst to determine the health of the category overall as well as the robustness of AndCo's current list of recommended strategies. While this exercise is mainly utilized as a monitoring tool for the firm's exposures, it is very constructive in developing a pipeline of future ideas for each analyst to pursue in order to meet our client's needs and objectives.

Investment Policy Committee (IPC):

Our Research Department conducts a quarterly strategy review and presents their material findings to the Investment Policy Committee. We have created a strategy scorecard to highlight certain key metrics, including performance, as well as changes at the firm, strategy, or team level. This scorecard applies a rules-based approach to highlight deviations from the norm. Our Investment Policy Committee provides a thoughtful perspective and generally requires each analyst to provide guidance on deviating managers.

Client Solutions:

On a quarterly or monthly basis, our Client Solutions Department prepares client reports. As part of this process, a client specific investment policy scorecard is typically included in the report. The scorecard clearly outlines if the client's managers are within or out of compliance with their investment policy statement.



Consulting:

Our consultants are responsible for providing manager updates to our clients. This could occur through calls, emails, or as part of a regular meeting. However, a formal write-up could be provided for significant issues.

Benchmarks

Accurate and appropriate benchmarks are essential to effective portfolio performance measurement.

1. **Peer Groups:** We research and identify peer groups consisting of actual returns of managers investing in a similar style. These are expressed as a percentile ranking in our performance reports. An example would include returns from only domestic large cap growth strategies.
2. **Plan Sponsor Peer Groups:** We use predefined plan sponsor peer group universes to provide percentile return rankings against similar institutional investors by client type and size. These peer groups include Taft-Hartley, endowment and foundation, corporate pensions, and public pensions, among others. We can also create custom plan sponsor peer groups that more closely reflect a client's peers.
3. **Passive Indices:** These are traditional benchmarks that directly compare a strategy's return to the aggregate return from a passive portfolio of securities. We select an index that most closely conforms to the opportunity set of an investment manager. Examples include the S&P 500 Index and the Bloomberg Barclays Capital Aggregate Bond Market Index.
4. **Custom Hybrid Indices:** We can also create custom benchmarks based off the weighting of asset classes or investment styles within the total plan or an overarching asset class. For example, a fixed income allocation with 80% in core strategy and 20% in a TIPS strategy should be compared to a benchmark that best represents this allocation. A hybrid benchmark consisting of 80% in the Bloomberg Barclays Capital Aggregate Bond Market Index and 20% in the Bloomberg Barclays Capital US TIPS Index would be an appropriate benchmark for the fixed income composite based on its underlying exposures.

Databases

AndCo employs some of the most robust and deep databases available to investment consultants including:

Investment Metrics Investworks

Investworks provides a comprehensive link between our performance analytics and research systems. In addition to having access to all our applicable benchmarks, peer groups, and manager performance feeds, it allows our researchers to compile a custom database that can incorporate the quantitative and the qualitative data we gather from managers, such as strategy commentary and analyst expectations. Additionally, it allows our researchers to design and produce tailored research reports for our consultants.

eVestment Alliance

eVestment Alliance is one of the largest institutional investment manager databases. It provides an excellent first look at the entire institutional investment manager spectrum. It details strategy performance, quantitative characteristics, assets under management,



fee structures, strategy narratives, and portfolio holdings. eVestment Alliance also provides customized manager reports and side-by-side manager comparisons.

TopQ

TopQ is a software solution that provides both fund and deal-level analytics, track record analysis, and customized reporting for private market funds. TopQ provides recent news and publicly available information on general partners (GPs) through various data providers and their own GP relationships. The system allows AndCo the ability to automate a portion of the analysis of these GPs thereby resulting in efficiencies. Importantly, the database has the ability to store cash flow information, both at the deal and fund-level, and store fundamental company metrics which allow for long-term trend analysis and portfolio monitoring.

Morningstar Direct

Morningstar Direct is a comprehensive online manager research platform that complements the capabilities of our other databases. Through Morningstar, we gain access to the Morningstar database which includes comprehensive qualitative and quantitative data. We use this data to supplement our performance reports and research process, as well as supplement the data we gather on managers via our proprietary due diligence questionnaire (DDQs).

Preqin

Preqin is a leading provider for data and intelligence on alternative assets, including private equity, real estate, infrastructure, hedge funds, and private debt strategies. This database allows us to research funds currently in the market, find new funds, and check performance on past funds. Preqin also frequently provides robust market research and investor surveys across the various alternative asset classes. We use all of these tools to help clients build a comprehensive portfolio of alternative investment strategies.

Bloomberg Terminal

The Bloomberg Terminal enables professionals in the financial service sector and other industries to access the Bloomberg Professional service through which users can monitor and analyze real-time financial market data. The system also provides news, price quotes, and messaging across its proprietary secure network.

BCA Research

BCA is a leading independent provider of global macroeconomic and geopolitical analysis, trend forecasting across most major asset classes and geographies, and investment strategy advice. Importantly, the database contains more than 300,000 data sets that result in roughly 265 proprietary indicators designed to extract the most relevant investment signals across developed and emerging economies, equities, fixed income, and commodities. We use this system to supplement our internal and external market intelligence with the goal of providing clients and consultants with a wholistic viewpoint on capital markets.

CAMBAK

CAMBAK is AndCo's proprietary relationship management and document retention system. The system houses the majority of data and materials related to AndCo's client relationships and allows all parts of the consulting team to access appropriate client information quickly, efficiently, and securely. Additionally, investment managers that are presented for our clients' consideration are required to complete AndCo's due diligence



process. Documents submitted for review are retained in the system and may include the following:

- ADV Forms
- AndCo Questionnaires
- Manager Pitch Books
- AndCo Meeting or Research Notes

Please see **Exhibit I** for a Sample Quarterly Performance Report.

2. Identify the steps the firm would take to analyze TCERA's current investment portfolio and investment policy. Copies of both are included as attachments to this RFP.

Our analysis of TCERA's current investment portfolio begins during the RFP process with an analysis of the investment policy, portfolio structure and investment manager lineup. Our goal in this process is to become familiar with TCERA's general portfolio structure before we have the opportunity to review our observations with the Board and position ourselves and our company. We want to gather an initial understanding of how the investment portfolio was constructed and what legal guidelines, if any, have been followed in crafting the policy statement. Using this knowledge base, we typically begin to lay out potential updates and changes to the investment policy, portfolio structure and/or manager lineup during our final's presentation. However, we also want the Board to understand that our initial observations are only a "fresh perspective" since our work up to that point has been completed in a vacuum at AndCo without the benefit of Board interaction.

Once retained we immediately begin building a dialogue with the Board to better understand the current investment situation and challenge our initial one-sided observations. This process includes a full onboarding of the current investment managers and strategies by our Research Department. Onboarding includes not only a quantitative and qualitative analysis of the current manager structure, it also seeks to identify redundant, inefficient, and/or costly allocations to clear the way for potentially better diversification within the portfolio. Through this interaction and analysis, we gain a deeper understanding of what has and has not worked as well as the Board's desired appetite for potential changes to the investment structure. This collaborative effort generally then results in suggested updates to the current investment policy as well as the development of a strategic roadmap for actions in updating the investment portfolio and its managers/strategies.

3. Describe the level of customization available for reports provided and any additional charges that would be incurred for customization or requests for additional information.

AndCo utilizes one of the industry's leading performance measurement and reporting systems, Investment Metrics PARis, to provide comprehensive and customized reporting to our clients. The system includes extensive standard reporting capabilities and a robust set of customization tools that provide AndCo the flexibility to design reporting solutions that match the needs of each client. Our consultants work with clients to structure monthly and quarterly reporting solutions that meet their informational objectives without overwhelming them with unnecessary or undesired analysis. The system has an

extensive array of options for reporting performance and statistical measures commonly used in the consulting industry. A sample of the types of analysis we can provide are:

- Asset Allocation
- Performance versus benchmarks and peer groups
- Compliance with Investment Policy Statement (IPS) guidelines
- Risk Statistics
- Returns Based Attribution
- Holdings Based Equity Attribution Analysis
- Fixed Income Characteristics Comparisons
- Private investment IRR, public market equivalents, fund summaries & characteristics, and private market specific statistics

We work with our clients to understand their unique reporting requirements and preferences. Based on this understanding we can provide a variety of reporting options including abbreviated executive summaries, investment manager analysis supplements, and private market strategy reporting.

4. Provide expected timeframes for completion of the preliminary monthly reports and the final quarterly performance reports (number of calendar days after required data is available).

The production timeframes of AndCo's monthly and quarterly performance reports will be largely regulated by the release dates of data from TCERA's custodian, BNY Mellon, and benchmark and peer group data from our performance measurement and reporting vendor, Investment Metrics. Once the data becomes available, AndCo can typically generate a preliminary monthly report within 5 business days of the day the data was received and a quarterly report between 20 to 30 business days, if necessary. Final quarterly reports may be delayed due to the typical lag in statement data for alternative and private investments.

5. Describe the plan data submission/collection process including whether the firm collects holdings data and performance data from investment managers, client custodian, or clients.

Accurate and timely data are the most important elements for calculating performance. AndCo strives to establish online access to custodial information to collect information in an electronic format as soon as possible each month. Holdings data can be retrieved from various sources including the custodian, investment manager and our performance measurement system.

On a quarterly basis, AndCo makes a concerted effort to send out compliance questionnaires to Research-approved strategies and strategies with client exposure. The questionnaire generally covers quantitative elements such as relative performance, peer group percentile ranks and volatility metrics as well as qualitative questions pertaining to the sale of the firm, team turnover, SEC investigations, cash flows into and out of the fund, etc.



6. Describe your firm's step by step process for return reconciliation and your follow up procedures for any discrepancies discovered.

Your consulting team works closely with your Client Solutions team member to provide accurate and timely performance reports.

1. **Receive Custodian Data:** AndCo gathers data from independent third-party sources, typically the custodial bank holding the assets. This data is then entered into our performance measurement and reporting system by the Client Solutions Department Team member assigned to the relationship.
2. **Performance Reconciliation:** We use numerous audit procedures to help ensure the accuracy of our data. Monthly, we compare audit reports from our system to those of the custodian. In addition, we gather client specific performance figures through form submission from the investment managers. We will compare across all parties to determine if any discrepancies exist. If a discrepancy is identified, we will further research the issue to determine the cause. Once the cause has been determined, we will work with the custodian and investment manager to resolve the discrepancy. In the instance of any material discrepancies identified during the reconciliation process, the consultant will inform the client of the discrepancies and how they were resolved.
3. **Report Generation:** AndCo produces reports from our system that include performance as well as statistics that assist in the review of manager adherence to Investment Policy Guidelines. Your Client Solutions team member compares the manager results against Investment Policy Criteria on a quarterly basis and summarizes this information.

Your dedicated Consultant utilizes this report to scrutinize managers and their fit within the overall goals of your portfolio. This analysis serves as the basis for recommendations on your portfolio such as manager changes, additional investment strategies or asset allocation updates.

7. Describe the firm's performance attribution capabilities, including returns-based and holdings-based capabilities. Include a breakdown of domestic, international, and fixed income performance attribution capabilities and state to what extent performance attribution analysis is proved in the quarterly investment report.

Our performance measurement system, Investment Metrics PARis can calculate attribution on the total fund, asset class composite, and manager level. At the total fund and asset class composite level, we can generate value added performance attribution, including a breakdown of the source of the value. This is generally derived from asset allocation or manager value added. At the manager level, we perform returns and holdings-based attribution analysis across multiple vehicle types including mutual funds, commingled funds, and separate accounts.

AndCo leverages Morningstar Direct, eVestment, eVestment TopQ, and Investworks/PARis to perform holdings and return based style analysis. These tools provide our Research and Client Solutions Department powerful style identification, evaluation, and tracking capabilities. Through these complementary tools, we can review and evaluate a manager's investment strategy history from an underlying holdings / fundamental characteristic or returns based perspective relative to benchmarks, other investment strategies, or



investment strategy peer groups. This allows us to identify a manager's style, monitor managers for style drift, and choose appropriate benchmarks. This attribution analysis can be provided in our quarterly performance reports. Please see **Exhibit I** for a Sample Quarterly Report that includes a sample of our performance attribution capabilities.

8. Describe your firm's procedures for communicating with the client and with investment managers regarding performance issues including the frequency of type of reviews (formal, ad hoc, etc.) and the use of a "watch list" if any.

Our Consultants are responsible for communicating with clients any investment manager performance issues or concerns. This could occur through calls, emails, or as part of a regular meeting. However, a formal write-up could be provided for significant issues. Investment managers are monitored based on criteria defined in the Investment Policy Statement (IPS). AndCo's quarterly reports include a Compliance Checklist that verifies managers are meeting the many of the minimum standards of the IPS. If a manager fails to achieve results in line with these goals it will typically be addressed with recommendations as to how to proceed.

If a manager experiences a sudden significant change that may require urgent attention AndCo may reach out to discuss this matter as soon as possible. Events such as a change in ownership, unexpected turnover of key personnel, shifts in strategy or other circumstances that would cause a loss of confidence in the manager are generally addressed with clients.

There are no automatic triggers that place a strategy on a watch list or to terminate. We assess each situation independently and aim to make thoughtful, reasonable decisions in a timely manner.

9. Describe your firm's criteria for recommending investment manager terminations.

We make ongoing quantitative and qualitative assessments of managers to gauge their success and failure. Putting a manager on watch or recommending termination is determined by the severity of the quantitative and/or qualitative issues. The factors considered include but are not limited to the following:

Quantitative factors:

- Annualized, calendar year and market cycle return vs. appropriate industry benchmarks and peer groups
- Various risk-based analysis (Sharpe, Sortino, Information ratios, etc.)
- Factor analysis (value, growth, size, momentum, quality, social & governance, etc.)

Qualitative factors:

Our qualitative analysis focus on the stability of the investment manager's organization and staff, adherence to their stated investment philosophy and process, asset/client turnover, and the quality of client service.

- Professional turnover
- Investment policy statement compliance issues
- Regulatory or legal issues
- Significant loss or gain of clients, including asset outflows/inflows
- Change in firm ownership
- Change in investment process



- Risk management approach (within the investment team or driven externally)
- Style drift from mandate
- Fee structure change
- Poor client service
- Loss of client confidence

We believe that regular interactions with investment managers, including portfolio reviews, are the best way to stay ahead of problems and keep abreast of issues. To that end, we survey our approved managers that are being actively included in searches on a quarterly basis with respect to the issues listed above. If changes are disclosed, we will research and assess the severity of the issue. Significant firm, strategy and team level changes can sometimes foreshadow deterioration in performance, and we aim to avoid being late in making the decision to move on from a strategy.

That said, we also review performance of the aforementioned managers on a quarterly basis. But performance without context has limited utility. If unavailable through our subscription manager databases, we may request portfolio holdings and characteristics so that we can evaluate whether the portfolio reflects our understanding of the manager's investment style. We may then compare the quarterly results of the strategy against the portfolio characteristics to determine if the performance results make sense and conform with expectations.

Finally, our Research department conducts a quarterly strategy review and presents their material findings to the Investment Policy Committee. We have created a strategy scorecard to highlight certain key metrics, including performance, as well as changes at the firm, strategy, or team level. This scorecard applies a rules-based approach to flag deviations from the norm. Our Investment Policy Committee provides a thoughtful perspective and generally requires each analyst to provide guidance on deviating managers.

There are no automatic triggers that place a strategy on a watch list or to terminate. We assess each situation independently and aim to make thoughtful, reasonable decisions in a timely manner.

10. Provide information regarding your firm's review of its success in selecting top tier managers and subsequent recommendations to clients.

Our firm reviews manager selection in multiple ways. First, consultants monitor the strategies in their client portfolios in a total portfolio context. They are periodically monitoring that the strategies are working as intended by either generating returns that exceed the plan's IPS target or providing an uncorrelated return stream relative to other strategies in the plan for risk mitigation purposes. Every allocation has an objective and consultants monitor that each strategy is meeting its objective.

In addition, AndCo's Research Department is responsible for monitoring strategies they recommend on an ongoing basis relative to their respective benchmarks and against their peer universes. This is facilitated in numerous ways. First, the team communicates strategy updates with the Investment Policy Committee (IPC) on a quarterly basis. In these sessions, strategies are reviewed on quantitative and qualitative metrics and based on severity, analysts will recommend appropriate actions (i.e. placing the strategy on Watch). As part of this process, a quarterly compliance spreadsheet is sent to strategies being

actively recommended for client use to ensure that analysts are capturing all changes at the firm and strategy level (asset flows, professional turnover, changes to the investment process, etc.). In addition, each analyst completes a deep dive category review on a rotating 12-18 month basis for the categories they cover and presents their summary to the IPC. The purpose of the category review exercise is to evaluate whether or not this is a good time to invest in the asset class, the overall health of the asset class (new product launches, fund flows, etc.), any style gaps or vehicle deficiencies in our current list of recommended strategies, the relative performance of the strategies we are currently promoting in search activity relative to the peer universe of available alternatives, and other factors. In addition, analysts are responsible for identifying ESG/SRI and minority-owned options in the categories they cover. This, in combination with repeated and frequent interactions with the managers and strategies we recommend is how we monitor the managers we are actively promoting in search activity.

Measuring success is difficult as clients have varying objectives when funding a strategy. Often a client will invest in a strategy for the role it plays in a portfolio, with performance expectations on an absolute or relative basis being a lesser consideration. While our Research Department keeps close tabs on the investible universe, we try not to be overly reactive to short-term performance deviances, especially if we understand the drivers and the performance is within our expectations given where we are in the current market cycle.

E. Research

1. **Describe the firm's commitment to research and system enhancements. Describe the structure and organization of the firm's research department, including the number and experience of its analysts.**

Research Department

Our Research Department is responsible for providing research, recommendations, and education for asset classes, asset categories, investment strategies, and capital markets. The Research Department's directives include conducting investment manager searches, conferring with investment managers, performing investment analysis, conducting asset allocation studies, and researching new investment strategies. They are tasked with monitoring industry and market trends affecting asset classes, categories, and investment funds, and providing an opinion on the potential effects of those trends on our approved strategies.

The team consists of asset class specialists covering a wide variety of public and private markets across traditional and alternative asset classes. Each of the six overarching specializations (Public Equity, Private Equity, Public Fixed Income, Private Fixed Income, Real Estate/Real Assets, and Hedge Funds) are covered by a core group of experienced professionals. Our Research Department is centralized at our headquarters, sits in proximity, and continuously shares ideas on relative value and market opportunities. We built the AndCo Research Department with an emphasis on experience, specialization and collaboration as this reflects our belief that a more experienced and integrated team benefits our clients. We believe that the nature of a more complex world and ever-growing multi-factor investment options requires market experience and perspective. Our team of complementary analysts supports a collaborative environment that fosters cross pollination of ideas, critical thinking, personal growth, and comprehensive asset class, category, and manager universe coverage.

The Research Department consists of 17 team members that have spent most of their careers conducting manager research. Our senior team members consist of 11 individuals who average over 19 years of investment industry experience. The remaining 6 team members have over 6 years of average industry experience. In addition, our Research Department team members are highly credentialed with the following degrees and designations:

- 11 Advanced Degrees
- 8 Chartered Financial Analyst (CFA®) designees
- 7 Chartered Alternative Investment Analyst (CAIA®) designees
- 2 Certificate in Investment Performance Measurement (CIPM®) designees

Furthermore, members of the team have wide ranging and practical experience in areas such as manager research, portfolio management, trading, real estate appraisal and conducting secondary and co-investment transactions to name a few. We believe this diversity of experience and backgrounds further rounds out and enhances our team's insight, perspectives, and capabilities. We believe our ratio of dedicated research analysts relative to our assets under advisement is very high relative to other consulting firms. This high ratio demonstrates ample capacity within our Research Department to generate investment ideas and work collaboratively with the consulting team servicing the Fund. We believe this approach is unique relative to the competition and allows AndCo to provide high quality, customized service.



Research Commitment

AndCo has committed to Research extensively since the firm's inception. We have consistently made investments in additional hires, databases, and technological improvements.

AndCo currently reinvests 100% of our net profits back into the organization so we can continue to enhance our services and infrastructure to serve all our clients at a high level. As such, we will continue to systematically invest in our research capabilities. These investments will include but are not limited to the following:

- Additional research personnel
- Personnel education and development
- Data and analytic based subscriptions and software systems
- Industry conferences and forums
- Increased travel budget to meet with investment managers

2. List notable publications that have included your firm's research.

While AndCo has not contributed to any notable publications, we produce various research materials for our clients on a routine basis. Our research materials include items such as monthly and quarterly market commentaries, research reports, topical summaries, and blogs. We focus our research efforts on topics we believe to be relevant and timely for our clients and work hard to make our materials clear, understandable, and actionable to help support effective and efficient portfolio decision-making.

3. Provide a recent sample of a white paper on a topic relevant to public pension plans.

Please see **Exhibit J** for a Thought Piece on U.S. Large Cap Growth.

4. Describe in detail the type and frequency of research that would be provided to TCERA. Describe any research or analytical resources available that your firm would be willing to provide TCERA?

We provide our clients with numerous forms of research materials on a regular basis. Our research materials include timely updates for client-invested strategies, written recommendations on new strategies under consideration, broad educational asset class primers, and a variety of economic and capital market insights. We focus our research efforts on topics we believe are relevant and timely for our clients and work hard to make our materials clear, understandable, and actionable to help support effective and efficient portfolio decision-making.

Clients will have ongoing access to regular capital market and portfolio deliverables through their relationship with AndCo. To keep this information organized and readily available to our clients, we establish and maintain a dedicated "client-portal" through InvestmentMetrics PARis (our performance measurement vendor), which securely hosts all of the information AndCo produces for the client. Depending on how much a client wants to make the portal part of their AndCo relationship, we can also set up read-write access to the portal so the client can post information as well.

In addition to the client portal, our firm subscribes to multiple investment manager databases including eVestment, Investworks, Preqin and Morningstar Direct. In addition to these manager database tools, we have access to a variety of analytical tools including



Bloomberg, BCA Analytics, and Crandall Pierce. Information from these systems are used to create a variety of client deliverables as well as perform detailed analysis on portfolios and strategies that can be shared with clients to enhance their decision-making abilities.

F. Manager Searches and Evaluation

- 1. Describe in detail your manager search process including any databases or outside sources used in evaluating managers for inclusion in a search. Include the criteria used to make manager recommendations.**

AndCo's traditional investment process starts with idea generation, which comes from multiple sources. The team generates ideas through client and consultant feedback, placement agents, database screening, conference attendance, news publications/industry journals and investment manager outreach.

Each opportunity is qualified via AndCo's preferred Institutional Criteria, which assesses a manager based on multiple factors, including but not limited to, SEC registration, Errors & Omissions insurance, and the manager's willingness to serve as an ERISA Fiduciary. It is more likely that managers who meet our preferred criteria may advance to the next stage of our due diligence process, however these are only preferred criteria and do not solely dictate whether a strategy progresses through this process.

Moreover, if the Research Analyst finds the strategy unique or compelling and/or if there is client interest in the strategy, we will request and review manager and strategy specific information. This information typically includes an ADV, pitchbook, strategy due diligence questionnaire, and other documents if applicable. In addition, the Research Analyst will meet with the investment team either face-to-face or via conference call to discuss the strategy in more detail.

If the Research Analyst remains interested, the process moves to a detailed analysis of the manager's prior track record and a comprehensive performance analysis using multiple benchmarks and peer groups. Analysts will also review the investment team, philosophy, and process. For those strategies the Research Team deems worthy, additional deep-dive meetings are scheduled with members of the investment team to gain a deeper level of understanding about the manager's investment approach, performance attribution and historical drivers of performance, portfolio positioning and outlook. At this step of the process, the Research Analyst will likely travel onsite to meet with the manager's investment team, however, this is not a prerequisite.

In conjunction with investment due diligence, AndCo also typically conducts a comprehensive, but separate operational assessment of the manager and strategy. This analysis is solely focused on the firm's operations, compliance, and technology capabilities. The operational due diligence analyst works closely with the lead investment due diligence analyst sponsoring the recommendation.

The final steps consist of the investment analyst and the operational analyst each writing a research note in support of the recommendation. Their combined assessment is reviewed by a panel of their peers. The purpose of this peer review is to challenge the analyst's thesis and better prepare them for the questions they might receive when completing the final step and presenting to AndCo's Investment Policy Committee (IPC).

AndCo employs some of the most robust and deep databases available to investment consultants including:

Investment Metrics Investworks

Investworks provides a comprehensive link between our performance analytics and research systems. In addition to having access to all our applicable benchmarks, peer groups, and manager performance feeds, it allows our researchers to compile a custom database that can incorporate this quantitative data and the qualitative data we gather from managers, such as strategy commentary and analyst expectations. Additionally, it allows our researchers to design and produce tailored research reports for our consultants.

eVestment Alliance

eVestment Alliance is one of the largest institutional investment manager databases. It provides an excellent first look at the entire institutional investment manager spectrum. It details strategy performance, quantitative characteristics, assets under management, fee structures, strategy narratives, and portfolio holdings. eVestment Alliance also provides customized manager reports and side-by-side manager comparisons.

TopQ

TopQ is a software solution that provides both fund and deal-level analytics, track record analysis, and customized reporting for private market funds. TopQ provides recent news and publicly available information on general partners (GPs) through various data providers and their own GP relationships. Importantly, the system allows AndCo the ability to automate a portion of the analysis of these GPs thereby resulting in efficiencies. Importantly, the database has the ability to store cash flow information, both at the deal and fund-level, and store fundamental company metrics which allow for long-term trend analysis and portfolio monitoring.

Morningstar Direct

Morningstar Direct is a comprehensive online manager research platform that complements the capabilities of our other databases. Through Morningstar, we gain access to the Morningstar database which includes comprehensive qualitative and quantitative data. We use this data to supplement our performance reports and research process, as well as supplement the data we gather on managers via our proprietary due diligence questionnaire (DDQs).

Preqin

Preqin is a leading provider for data and intelligence on alternative assets, including private equity, real estate, infrastructure, hedge funds, and private debt strategies. This database allows us to research funds currently in the market, find new funds, and check performance on past funds. Preqin also frequently provides robust market research and investor surveys across the various alternative asset classes. We use all of these tools to help clients build a comprehensive portfolio of alternative investment strategies.

Bloomberg Terminal

The Bloomberg Terminal enables professionals in the financial service sector and other industries to access the Bloomberg Professional service through which users can monitor and analyze real-time financial market data. The system also provides news, price quotes, and messaging across its proprietary secure network.



BCA Research

BCA is a leading independent provider of global macroeconomic and geopolitical analysis, trend forecasting across most major asset classes and geographies, and investment strategy advice. Importantly, the database contains more than 300,000 data sets that result in roughly 265 proprietary indicators designed to extract the most relevant investment signals across developed and emerging economies, equities, fixed income, and commodities. We use this system to supplement our internal and external market intelligence with the goal of providing clients and consultants with a wholistic viewpoint on capital markets.

CAMBAK

CAMBAK is AndCo's proprietary relationship management and document retention system. The system houses the majority of data and materials related to AndCo's client relationships and allows all parts of the consulting team to access appropriate client information quickly, efficiently, and securely. Additionally, investment managers that are presented for our clients' consideration are required to complete AndCo's due diligence process. Documents submitted for review are retained in the system and may include the following:

- ADV Forms
- AndCo questionnaire
- Manager Pitch books
- AndCo meeting or research notes

2. Describe the process used for updating the database and revising your lists of top tier managers and/or approved manager lists, including the criteria for the addition of new investment managers into your database.

AndCo utilizes an approved list of managers. However, AndCo has an open-door policy and will meet and evaluate any money manager that requests a meeting. Our approved list is dynamically evaluated and adjusted on an ongoing basis. In addition, our process does not limit our clients or consultants to only use managers and strategies on our current approved list. Our clients and consultants can request any manager or strategy be considered for approval or utilization. The only requirement is that each manager must complete AndCo's due diligence process and be approved by AndCo's Investment Policy Committee.

AndCo believes this is a superior approach because it allows us to have a deep and current understanding of the managers on our approved list while also providing flexibility to consider managers and strategies that are not on the approved list that may benefit the custom needs and preferences of our clients.

Due Diligence Process

All investment managers that are presented for our clients' consideration must be approved by AndCo's Investment Policy Committee. Our Research Department identifies potential investment managers using our database resources and investment industry network. Our due diligence process for selecting and monitoring investment managers is as follows:



1. *Identification:* The first step in our due diligence process is identification of investment opportunities. Our firm's process is unique because we maintain an open-door policy. This means that any investment manager that wants to participate in our due diligence process has the opportunity. Identification occurs from many approaches including:
 - a. Database Screening/Research Team – we use several databases to search and review strategies including Investworks, eVestment, and Morningstar Direct in conjunction with our research team's investment manager network.
 - b. Consultant Sponsored – our consultants can identify and sponsor investment ideas. These ideas are then reviewed by the Research Team and eventually our Investment Policy Committee, if applicable.
 - c. Client sponsored – many times our clients have great ideas and can request that we review them. Similar to our consultant requests, our Research Team will review them.
 - d. Investment Manager Requested – we maintain an open-door policy for any manager wishing to be considered can request to enter our due diligence process.
2. *Preliminary Questions:* After we have identified a potential manager, we ask the manager to complete our initial due diligence questionnaire (DDQ) to efficiently confirm that the manager meets specific minimum criteria with respect to their firm and the specific strategy, as follows:
 - Does the strategy have a three-year institutional track record achieved by the same individual or team?
 - Does the firm report strategy information, including performance and portfolio data, to the following databases: Morningstar Direct, Investworks and eVestment Alliance?
 - What are the total AUM and total number of accounts for the firm and the strategy?
 - Is the firm registered with the SEC? What is the effective date of the registration? If the firm is not registered with the SEC, please provide an explanation?
 - Has the firm, or any of its employees, been involved in any litigation, or been the subject of any investigation or sanction by any state or federal regulatory agency or industry self-regulatory organization? If so, please explain the nature and outcome of the litigation, investigation, and/or sanction.
 - Does the firm claim GIPS compliance? If so, has the claim of GIPS compliance been verified, when, and by whom?
 - Does the firm utilize a third-party trading/portfolio management system? If so, provide the name of the system.
 - Does the firm have a dedicated compliance officer? If so, how long has the individual been in this role at the firm? What is this person's background in compliance?
 - Will you acknowledge, in writing, your role as a delegated fiduciary to the plan?
 - Will you accept legal venue in the client's county and state?

- Do you have errors and omissions insurance? If so, what is the amount of coverage and by whom is it issued?
 - Does the firm have a formal disaster recovery plan? When was the plan last tested and what were the results?
3. *Due Diligence Questionnaire:* If the manager provides satisfactory answers to the above questions, we will send the manager our due diligence questionnaire. The due diligence questionnaire focuses on the investment management team, research process, manager's ownership structure, legal standing, and investment strategy. The Research Department reviews the manager questionnaire and initiates a detailed analysis. Our questionnaire underlies our manager evaluation process and enables us to prepare adeptly for a manager meeting.
 4. *Manager Interview:* After receiving the completed due diligence questionnaire, the Research Department and/or a consultant will interview the strategy's key decision makers. This allows the interviewer to crosscheck the information provided in the due diligence questionnaire and understand the firm's qualitative underpinnings. Often, we will interview the key decision makers on multiple occasions and venues. We will go on-site as necessary, and we also invite investment managers into our offices for interviews. Once these interviews are completed, the Research Department compiles an internal research report for our Investment Policy Committee.
 5. *Investment Policy Committee Review:* Every investment manager strategy that is presented to our clients must be approved by AndCo's Investment Policy Committee. The Investment Policy Committee reviews the Research Department's analysis and recommendation and determines if the strategy is suitable for our clients' consideration. The Investment Policy Committee is comprised of four members. Three voting members and one non-voting member. The three voting members consist of our CEO, COO, and Executive Director of Consulting. In the event of a tie, our CEO carries a double vote to break the tie. The non-voting member is our Chief Compliance Officer. Our Chief Compliance Officer represents the interests of the firm.
 6. *Ongoing Review:* If the manager is approved, the research analyst or consultant that sponsored the manager will cover the manager going forward. Each manager is required to provide quarterly compliance updates to AndCo, and the AndCo Investment Policy Committee reviews the approved manager list on a quarterly basis to identify exceptions that might require further due diligence.
- 3. Provide samples of investment manager research/due diligence reports used in evaluating managers.**

Please see **Exhibit K** for a Sample Investment Manager Due Diligence Report.

- 4. Describe your policy regarding frequency of on-site due diligence visits to managers as well as periodic phone and/or email due diligence.**

AndCo conducts on-site manager visits as part of new manager and ongoing due diligence. We believe on-site due diligence visits are appropriate under several circumstances and in many situations, and therefore, before recommending a manager to our clients, a due diligence visit typically occurs. We believe that we generate insights when onsite that are hard to gather remotely. For instance, it is much easier to gauge the team dynamic when



all team members are in the same room together. In these situations, you can tell if each person has autonomy to speak or if they defer to a central, dominant personality or job title. Similarly, we like to meet with team members individually to better understand if the answers we receive regarding the investment philosophy and process are similar across the Department. This helps us gauge the consistency of application over time. However, there are situations, such as when the manager operates from an extremely remote location or during periods of global pandemics (such as COVID-19) where onsite visits are not feasible. We also conduct due diligence visits on an ad hoc basis post our formal recommendation when deemed appropriate or necessary.

AndCo has a significant portion of its Research department personnel dedicated to due diligence covering fixed income, equity, and real assets across public, private, and alternative investments. Each analyst annually conducts approximately 120 to 150 manager meetings, defined as conference calls and/or face-to-face in our offices or at the manager's headquarters, with many more interactions, such as reference calls with company officers, that may go undocumented. Each analyst has approximately 25 to 75 of these informal and undocumented interactions annually in addition to their formal manager meetings.

**Figures are to the best of our knowledge and certain numbers may be approximations.*

5. **Provide results for the three most recent searches conducted for public pension clients for US equities, non-US equities, and fixed income. At a minimum, identify the managers provided to the client for consideration and indicate which firm was selected. Identify if the firm's most recent investment manager searches have resulted in the same investment manager/advisor being selected for multiple clients.**

US Equities	
Search 1. Investment Manager Candidates	Investment Manager Selected
<u>Large Cap Value</u> <ul style="list-style-type: none"> Dodge & Cox Stock MFS Value Vanguard Equity Income Westwood Large Cap Value (INCUMBENT) 	<ul style="list-style-type: none"> Vanguard Equity Income
Search 2. Investment Manager Candidates	Investment Manager Selected
<u>Large Cap Value</u> <ul style="list-style-type: none"> Aristotle Value Equity Brandywine Dynamic Large Cap Value Highland Capital Large Value (INCUMBENT) JP Morgan Equity Income MFS Value 	<ul style="list-style-type: none"> Highland Capital Large Value (INCUMBENT)
Search 3. Investment Manager Candidates	Investment Manager Selected
<u>Large Cap Growth</u> <ul style="list-style-type: none"> Alger Capital Appreciation Argent Large Cap Growth (INCUMBENT) MFS Growth Winslow Large Cap Growth Wells Fargo Heritage Premier Vanguard Growth Index 	<ul style="list-style-type: none"> 50% MFS Growth / 50% Vanguard Growth Index

Non-US Equities	
Search 1. Investment Manager Candidates	Investment Manager Selected
<u>Non-US Equity</u> <ul style="list-style-type: none"> American Funds EuroPacific Growth Causeway International Value Harding Loevner International Eq International Value Advisors (INCUMBENT) Lazard International Equity MFS International Growth Vontobel International Equity Pear Tree Polaris Foreign Value WCM Focused International Growth GQG International 	<ul style="list-style-type: none"> WCM Focused International Growth
Search 2. Investment Manager Candidates	Investment Manager Selected
<u>Non-US Emerging Markets Equity</u> <ul style="list-style-type: none"> Neuberger Berman Emerging Markets Equity RBC Emerging Markets Equity WCM Focused Emerging Markets Wells Fargo Emerging Markets Equity 	<ul style="list-style-type: none"> Wells Fargo Emerging Markets Equity
Search 3. Investment Manager Candidates	Investment Manager Selected
<u>Non-US Equity</u> <ul style="list-style-type: none"> Causeway International Value Transamerica International Equity First Eagle Overseas Oakmark International (INCUMBENT) Pear Tree Polaris Foreign Value 	<ul style="list-style-type: none"> Pear Tree Polaris Foreign Value
Fixed Income	
Search 1. Investment Manager Candidates	Investment Manager Selected
<u>Non-US Fixed Income</u> <ul style="list-style-type: none"> Franklin Templeton Global Bond (INCUMBENT) Loomis Sayles Multisector PIMCO Diversified Income 	<ul style="list-style-type: none"> PIMCO Diversified Income
Search 2. Investment Manager Candidates	Investment Manager Selected
<u>Non-US Fixed Income</u> <ul style="list-style-type: none"> Brandywine Global Opportunistic Fixed Income Franklin Templeton Global Bond (INCUMBENT) Loomis Sayles Multisector PIMCO Diversified Income 	<ul style="list-style-type: none"> PIMCO Diversified Income
Search 3. Investment Manager Candidates	Investment Manager Selected
<u>Non-US Fixed Income</u> <ul style="list-style-type: none"> Brandywine Global Opportunistic Fixed Income Franklin Templeton Global Bond (INCUMBENT) Loomis Sayles Multisector PIMCO Diversified Income 	<ul style="list-style-type: none"> PIMCO Diversified Income

AndCo believes it is very important to customize each search to the needs, preferences, and risk budgets of our clients. Each client manager search is completed in collaboration with the client, their consultant and AndCo's Research Department. While certain strategies may be included in multiple searches, we seek to provide a broad list of approved strategies to tailor our recommendations to each client and their circumstances.

6. Provide a sample of an investment manager search report your firm has provided to a client to present recommended managers for consideration in a recently completed investment manager search.

Please see **Exhibit L** for a Sample Investment Manager Search Report we recently provided to a client.

7. State your position regarding making specific investment hiring or firing recommendations to your clients.

One of our primary functions as an investment consulting firm is to provide definitive recommendations on both the retention and termination of investment managers for our clients' portfolios. Our Consulting Department and Research Department make ongoing quantitative and qualitative assessments of investment managers and their potential position in client portfolios. The service team's decision to place a manager on watch or recommend termination for a portfolio is a function of client-specific factors in their investment policy statement and our determination regarding the need for actions based on quantitative and/or qualitative issues we have identified. We have highlighted three examples below where different aspects of AndCo's manager viewpoints have led to changes in investment managers in client portfolios.

Investment Manager Client Reviews*:

AndCo had multiple exposures to a manager's strategy across our client base. Through our interactions with the manager we were informed the firm's CIO would be retiring. We cross-referenced this notification against our historical research and insights on the strategy. Through this analysis our Research Department determined that since the CIO was the architect of the strategy and the driving force behind the strategy's performance, the pending departure created material uncertainty for the future success of the strategy. This review also identified that the new portfolio manager's experience was limited, adding to our concern. Since we could not get comfortable with the new team's overall management abilities or how the strategy's process might change under the new leadership, we recommended clients seek alternative options. This was a challenging recommendation since the strategy's historical performance was strong, however, we were convinced that the recommendation to replace the strategy was the best decision for our clients. We would be happy to discuss this example in greater detail or provide additional examples if provided the opportunity.

Research Department Review:

We believe our regular interactions with investment managers, including portfolio reviews, are the best way to try to stay ahead of potential problems. We survey all strategies where we have client assets and that we are recommending for placement in client portfolios on a quarterly basis. This inquiry includes an update on firm, strategy, and investment team changes (both actual and anticipated changes). If there have been any material changes at the firm, strategy, or team level, we will investigate further. While not always the case,



these types of changes can potentially foreshadow deterioration in performance, and while we are patient capital allocators, we seek to avoid being late in making a recommendation to replace a strategy from a client's portfolio when appropriate.

IPC Investment Strategy Scorecard:

Finally, our Research Department conducts a quarterly review of their recommended strategies and presents their material findings to the Investment Policy Committee (IPC). We have created a strategy scorecard to highlight certain key performance metrics as well as changes at the firm, strategy, or team level. This scorecard applies a rules-based approach to flag deviations from the norm. Our IPC provides a thoughtful perspective and requests that the Research Department make a compelling case to retain each manager. While the client's consulting team may recommend changing an investment manager for a variety of reason, when we recommend terminating a manager at the firm level, it comes after closely monitoring the strategy using a clear, understandable, and repeatable process.

**Example provided for illustrative purposes only.*

G. Other Information

1. Describe your firm's capabilities in providing educational opportunities for trustees and staff including any investment conferences made available to clients.

AndCo believes one of the critical roles a consultant should play for a client is ongoing, objective investment education. Since financial markets are complex and ever evolving, clients should expect to be educated on a continuous basis to make effective and timely decisions for their investment portfolio. AndCo commits substantial research and resources to provide our clients timely, thoughtful, and understandable educational materials that can help strengthen fiduciary decision making.

Our consulting teams are available to speak or teach at special meetings, workshops, and educational seminars for clients. In addition, members of senior leadership and management as well as knowledge-based employees are regular speakers at local, state, and national conferences. Because of our commitment to education, we tailor programs to meet each client's specific needs, including but not limited to, fiduciary governance, capital markets, portfolio construction, and asset class reviews. These and other tailored programs are included in our regular retainer fee and can be structured for large or small groups as well for one-on-one sessions if desired. Depending on the client's desire, we can also gear our education to be high level or more granular. Given our diverse client base and their varied investment experience, we are diligent and attentive in tailoring our education programs to suit each client's needs. If our education is ever met with client confusion or discomfort, we will work to adapt the deliverables and the message to maximize its value and understanding to the client.

2. Describe your firm's experience and ability to support issues relating to securities lending, custodial services and commission recapture.

Securities Lending

While securities lending programs have the potential to provide a split-income source to a client that may offset a portion of their custodial costs, we do not actively recommend securities lending programs to our clients. These programs are extremely complex, and as many clients experienced during the 2008 financial crisis, they are not riskless and real losses can occur. While risk is inherent in all financial markets, in our experience, the risks borne by the client in a securities lending program are asymmetric relative to their custodian.

While we will not generally recommend the termination of a client's securities lending program if it is already in place, we will evaluate the current program including the underlying collateral pool options, usage rates (securities on loan vs. securities available to be loaned), and revenue sharing allocation (the custodial bank's share of the revenue) to help ensure the risks are being adequately compensated and recommend changes where necessary.

While AndCo does not actively recommend securities lending programs, we have experience dealing with these types of programs based on the broad number of institutional plans we work with around the country.



Custodial Services

AndCo works with a number of custodians across our broad institutional client base. This experience includes working with both large institutional providers as well as local and regional custodians based on the preferences and existing relationships of our clients. We generally establish an open line of communication with the client's primary custodial contact and will work with them proactively to help ensure accurate reporting of client holdings. If an issue ever does arise, we will work proactively with the custodian on problem resolution and loop in required parties to maximize the client's outcome.

Commission Recapture

While commission recapture programs have the potential for the client to recapture some of their portfolio's explicit commission costs, we believe "best execution" of trading activity by an investment manager goes well beyond explicit commission costs. As a result, we do not actively recommend commission recapture programs to our clients. Further, we believe when commission recapture programs are implemented, they should be voluntary with no trading allocation targets.

However, since clients have the fiduciary responsibility to monitor and only pay reasonable plan expenses, we do advocate for the establishment of a written best execution policy for the portfolio and its underlying investment managers. This best execution policy reinforces that investment managers should seek best execution, subject to their internal policies, through their established brokerage trading houses, electronic trading platforms and recapture brokers. It further states that best execution includes, but is not limited to, the net effect of commissions paid, market impact, timeliness of the transaction and opportunity cost. This written best execution notification would also provide investment managers with the details of any voluntary commission recapture programs put in place by the client along with trade reporting and monitoring requirements.

While AndCo does not actively recommend commission recapture programs we have experience dealing with these types of programs based on the broad number of institutional plans we work with around the country.

3. Describe your process for assisting with a custodial bank search process. Please include details such as criteria used for evaluating and ranking custodians.

AndCo has extensive experience assisting clients with identifying, evaluating and retaining a custodian(s) for their portfolio. The process of identifying a custodian can be as simple as collecting and evaluating competitive bids or the initiation and management of a comprehensive custodian RFP. In either case, we will assist the client with the evaluation and their selection of a new custodian, the negotiation of fees, and oversee the transition of the client's assets from the legacy to the new custodian. While each client's custodial needs may differ related to monthly asset and annual audit reports, we typically advise clients to utilize their custodian to house separately managed accounts and mutual funds. While commingled and private funds are also typically "mirrored" at the custodian, since this type of reporting may lag by a month or more, we utilize the management reporting for outside investments over the values in the custodian's asset statements to increase the timeliness and accuracy of client reporting.

When we are requested to conduct a formal RFP to identify a new custodian on behalf of a client, or just provide our experience in working with other custodians, AndCo strives to match the client's specific custodial service needs with a list of appropriate candidates.



AndCo brings the skill of balancing the comparison of objective measures such as capability and explicit costs with subjective real-world experience with providers, particularly as it relates to client responsiveness and problem resolution, to each custodian evaluation.

AndCo does not believe it is effective or advisable to evaluate potential custodians using a static set of ranking criteria. The appropriate scoring matrix for each RFP will be based on a thorough understanding of the client's needs and hierarchical focus on ranking various components of required functional technology, costs, and client service expectations in evaluating and recommending a potential custodian for a client.

4. Describe the information available on your website or client portal that would benefit your clients.

Website:

AndCo's website provides extensive information about our firm including but not limited to our mission, vision, values, services, partnership, team members, offices, and community involvement. In addition, our site provides regular firm updates, market updates, blogs, thought pieces, conference summaries, and industry news.

Client Portal:

AndCo can share various reports and other documents, including but not limited to performance reports, plan level documents, and educational materials through a web portal integrated with our performance reporting system. Login credentials can be granted to any contacts provided by the client. Depending on the needs of specific individuals, AndCo can allow different levels of permission from view only to full access allowing the ability to add or remove documents for storage through the portal. The information provided on our web portal can be customized to the needs of each unique client and we can maintain any documentation required. Information on the portal is updated frequently as new deliverables are completed.

5. Provide information regarding the firm's diversity and inclusion policies for both the firm and in evaluating investment managers.

We believe that the diversity of our team enhances our firm and our client service.

AndCo is committed to strategic and focused efforts on improving the recruitment and retention of all employees through the utilization of diverse job boards, networking opportunities, career development initiatives, and mentoring programs. We believe that leveraging diversity through inclusion is a critical process that must be embedded in all aspects of our organization and business operations.

We also currently have minority representation in our firm's partnership program and executive leadership team. These are characteristics that demonstrate our firm's commitment to diversity and inclusion.

As a truly independent consulting firm with dedicated research resources, we have enhanced client portfolios by leveraging emerging and minority-owned managers since our inception. We do not limit the scope of our manager due diligence efforts to large and established firms. Our evaluation process is open to any firm, including emerging, minority and women owned firms. We are highly committed to identifying and including



these firms when we believe they are the best options for our clients. Our process actively seeks emerging, minority and women owned firms through the following activities.

- **Open-Door Policy** – Since our inception we have had an open-door policy with investment managers and will take meetings with almost any manager that wants to be considered. In addition, our process is highly flexible, and we will source managers through databases, our consultants, and our clients. Our consultants and clients can sponsor managers and strategies that our firm will evaluate. We have researched and included numerous managers in searches, and ultimately in client portfolios, that were originally sourced by our consultants and clients.
- **Asset Category Reviews** – On a periodic basis, typically between 12 to 18 months per review, we perform a complete reevaluation of each asset category we follow (e.g., US large cap value). During this process we specifically screen for emerging, minority and women owned firms to ensure that we identify, evaluate, and include strong options for our clients. The culmination of the review process is a presentation to our firm's Investment Policy Committee who will evaluate the state of the category and determine any additional action required by our Research Department. Our Investment Policy Committee is comprised of our CEO, CEO, Executive Director of Consulting, and CCO. This senior level of oversight ensures that our diversity efforts are being addressed and implemented organizationally.
- **Quarterly Exceptions Process** – On a quarterly basis, our Research Department provides our Investment Policy Committee a quantitative and qualitative update on all our approved investment managers and strategies. This quarterly process allows us to identify potential issues or deficiencies in our approved options and address them quickly.
- **Weekly IPC Meetings** – Our Investment Policy Committee has standing weekly meetings to review recommendations from our Research Department and consider manager and strategy requests from our consultants and clients. By having scheduled weekly meetings, we can address recommendations and requests quickly which allows for flexibility and client service customization.
- **Conferences** – We regularly attend conferences geared toward emerging, minority and women owned firms. This helps us understand issues, trends, and advancements within this domain and provides us an opportunity to meet and source new managers and strategies.
- **Client Conferences & Outreach** – We have begun the process of facilitating our own emerging, minority and women owned firm conferences and focused outreach programs as a service commitment on behalf of our clients.

6. State if your firm has clients covered by California's "County Employees Retirement Law of 1937" (the '37Act).

AndCo does not currently have any clients covered by California's "County Employees Retirement Law of 1937".



7. State if your firm belongs to and/or participates in the California State Association of County Retirement Systems (SACRS), the California Association of Public Retirement Systems (CALAPRS), or some other California public pension plan organization.

AndCo is an active participant in various California organizations/conferences. Specifically, AndCo is an affiliate SACRS member and has attended and presented at multiple SACRS conferences. AndCo employees have also attended CALAPRS conferences in the past.

H. Standard Contract

1. TCERA's standard contract provisions are attached to this RFP. Such provisions will be incorporated into the final contract. Any requests for exceptions to these provisions must be submitted as part of the response to the RFP.

TCERA RFP For Investment Consulting Services PDF Page 13 Section V. Insurance Requirements

The selected firm shall maintain a Fidelity Bond covering employee dishonesty, in an amount arranged by the selected firm, but not less than \$10 million, per occurrence. In addition, the selected firm shall maintain workers compensation coverage as required by law.

Please be advised that all terms are acceptable to AndCo. Please do note that AndCo's Fidelity Bond has a single loss limit of liability of \$1,000,000 (and an aggregate liability of \$2,000,000). Kindly see our response within the proposal under Section A. Organization - Question #15, which outlines what we believe is robust and comprehensive insurance coverage across multiple policies, including Professional Liability, General Liability, Cyber Insurance, a Fidelity Bond, Workers Compensation, Umbrella Insurance, and Automobile Insurance.



I. Fee Proposal

1. Provide a fee proposal for the services described in this RFP in the format provided in the attachment to this RFP. If any services are excluded from your proposal, clearly state what services you will not provide.

FEE PROPOSAL

The initial term of the contract is expected to three years in duration with the option for two one-year extensions with contract terms to be established at the outset of the contract. The fee schedule below should represent expected compensation for the first five (5) years of the relationship with TCERA and should be guaranteed for that time period. Proposed fees must include travel, taxes and all expenses.

Proposer should submit an all inclusive annual fee for all services as follows:

All inclusive flat fee - Year 1	<u>\$235,000</u>
All inclusive flat fee - Year 2	<u>\$235,000</u>
All inclusive flat fee - Year 3	<u>\$235,000</u>
Sub Total (Years 1-3)	<u>\$705,000</u>
All inclusive flat fee - Year 4 (if extension is issued)	<u>\$235,000</u>
All inclusive flat fee - Year 5 (if extension is issued)	<u>\$235,000</u>
Total Fees (Years 1-5)	<u>\$1,175,000</u>

Special Project Fees if not included above (Manager Searches, Asset/Liability Study, etc.) per Project.

Attach separate fee schedule if necessary. \$ N/A

The final contract fee should represent the only compensation received by the consultant for services provided to TCERA. There should not be any other benefit, monetary or otherwise, that results from this relationship between the consultant and TCERA.

Confirmed. We receive 100% of our revenue from our clients for providing investment consulting services.



2. List any additional costs that might be incurred based on the requirements listed in the RFP.

There will be no additional fees based on the requested investment consulting services listed in the Request for Proposal. Our proposed fee is for a full-service relationship. We do not provide unbundled or a la carte pricing options because we believe such arrangements can lead to constrained investment or fiduciary decision processes. We have found that these arrangements often cause Trustees to withhold decision making (e.g. manager searches, asset allocation studies, etc.) because of the additional cost. We attempt to avoid such conflicts by using all-inclusive fees. Our proposed fee also includes travel expenses.

Disclosure

Important Disclosure Information

This document was created solely for the named recipient and is not intended to be reproduced or distributed to outside parties or the public. It is being provided for informational purposes and should not be regarded as investment advice or as a recommendation regarding any particular course of action. Additionally, it is not intended to provide, and should not be relied upon, for legal or tax advice.

Certain information is based on sources and data believed to be reliable, but AndCo cannot guarantee the accuracy, adequacy or completeness of the information. Presented data is correct to the best of our knowledge, however due to market movements, the data presented may be different than the most current data. Past performance is not a guarantee of future results.

The source for all data, charts and graphs is AndCo Consulting unless otherwise stated. Some photographs in this presentation are redistributable under the Creative Commons license, while some are the property of AndCo.

All assets under advisement ("AUA") indicated throughout this report are approximate and as of June 30, 2020. All other information and figures are valid as of the date of distribution, unless otherwise indicated, and will not be updated or otherwise revised to reflect information that subsequently becomes available, or circumstances existing or changes occurring after such date.

AndCo Consulting is an investment adviser registered with the U.S. Securities and Exchange Commission ("SEC"). Registration as an investment adviser does not constitute an endorsement for the firm by securities regulators nor does it indicate that the adviser has attained a particular level of skill or ability.



FORM ADV

UNIFORM APPLICATION FOR INVESTMENT ADVISER REGISTRATION AND REPORT BY EXEMPT REPORTING ADVISERS

Primary Business Name: **ANDCO CONSULTING**

CRD Number: **111964**

Annual Amendment - All Sections

Rev. 03/2020

3/29/2021 6:05:27 PM

WARNING: Complete this form truthfully. False statements or omissions may result in denial of your application, revocation of your registration, or criminal prosecution. You must keep this form updated by filing periodic amendments. See Form ADV General Instruction 4.

Item 1 Identifying Information

Responses to this Item tell us who you are, where you are doing business, and how we can contact you. If you are filing an *umbrella registration*, the information in Item 1 should be provided for the *filing adviser* only. General Instruction 5 provides information to assist you with filing an *umbrella registration*.

A. Your full legal name (if you are a sole proprietor, your last, first, and middle names):

ANDCO CONSULTING, LLC

B. (1) Name under which you primarily conduct your advisory business, if different from Item 1.A.

ANDCO CONSULTING

List on Section 1.B. of Schedule D any additional names under which you conduct your advisory business.

(2) If you are using this Form ADV to register more than one investment adviser under an *umbrella registration*, check this box ☐

If you check this box, complete a Schedule R for each relying adviser.

C. If this filing is reporting a change in your legal name (Item 1.A.) or primary business name (Item 1.B.(1)), enter the new name and specify whether the name change is of

☐ your legal name or ☐ your primary business name:

D. (1) If you are registered with the SEC as an investment adviser, your SEC file number: **801-58253**

(2) If you report to the SEC as an *exempt reporting adviser*, your SEC file number:

(3) If you have one or more Central Index Key numbers assigned by the SEC ("CIK Numbers"), all of your CIK numbers:

No Information Filed

E. (1) If you have a number ("CRD Number") assigned by the FINRA's CRD system or by the IARD system, your CRD number: **111964**

If your firm does not have a CRD number, skip this Item 1.E. Do not provide the CRD number of one of your officers, employees, or affiliates.

(2) If you have additional CRD Numbers, your additional CRD numbers:

No Information Filed

F. Principal Office and Place of Business

(1) Address (do not use a P.O. Box):

Number and Street 1:

531 W MORSE BLVD

City:

WINTER PARK

State:

Florida

Number and Street 2:

SUITE 200

Country:

United States

ZIP+4/Postal Code:

32789

If this address is a private residence, check this box: ☐

List on Section 1.F. of Schedule D any office, other than your principal office and place of business, at which you conduct investment advisory business. If you are applying for registration, or are registered, with one or more state securities authorities,

you must list all of your offices in the state or states to which you are applying for registration or with whom you are registered. If you are applying for SEC registration, if you are registered only with the SEC, or if you are reporting to the SEC as an exempt reporting adviser, list the largest twenty-five offices in terms of numbers of employees as of the end of your most recently completed fiscal year.

(2) Days of week that you normally conduct business at your *principal office and place of business*:

☒ Monday - Friday ☐ Other:

Normal business hours at this location:

8:00 AM TO 5:00 PM

(3) Telephone number at this location:

844-442-6326

(4) Facsimile number at this location, if any:

863-292-8717

(5) What is the total number of offices, other than your *principal office and place of business*, at which you conduct investment advisory business as of the end of your most recently completed fiscal year?

6

G. Mailing address, if different from your *principal office and place of business* address:

Number and Street 1:

Number and Street 2:

City:

State:

Country:

ZIP+4/Postal Code:

If this address is a private residence, check this box: ☐

H. If you are a sole proprietor, state your full residence address, if different from your *principal office and place of business* address in Item 1.F.:

Number and Street 1:

Number and Street 2:

City:

State:

Country:

ZIP+4/Postal Code:

Yes No

I. Do you have one or more websites or accounts on publicly available social media platforms (including, but not limited to, Twitter, Facebook and LinkedIn)? ☒ ☐

If "yes," list all firm website addresses and the address for each of the firm's accounts on publicly available social media platforms on Section 1.I. of Schedule D. If a website address serves as a portal through which to access other information you have published on the web, you may list the portal without listing addresses for all of the other information. You may need to list more than one portal address. Do not provide the addresses of websites or accounts on publicly available social media platforms where you do not control the content. Do not provide the individual electronic mail (e-mail) addresses of employees or the addresses of employee accounts on publicly available social media platforms.

J. Chief Compliance Officer

(1) Provide the name and contact information of your Chief Compliance Officer. If you are an *exempt reporting adviser*, you must provide the contact information for your Chief Compliance Officer, if you have one. If not, you must complete Item 1.K. below.

Name:

SARA SEARLE

Other titles, if any:

CHIEF COMPLIANCE OFFICER

Telephone number:

407-627-1812

Facsimile number, if any:

863-292-8717

Number and Street 1:

531 W MORSE BLVD

Number and Street 2:

SUITE 200

City:

WINTER PARK

State:

Florida

Country:

United States

ZIP+4/Postal Code:

32789

Electronic mail (e-mail) address, if Chief Compliance Officer has one:

SARAS@ANDCOCONSULTING.COM

(2) If your Chief Compliance Officer is compensated or employed by any *person* other than you, a *related person* or an investment company registered under the Investment Company Act of 1940 that you advise for providing chief compliance officer services to you, provide the *person's* name and IRS Employer Identification Number (if any):

Name:

IRS Employer Identification Number:

- K. Additional Regulatory Contact Person: If a person other than the Chief Compliance Officer is authorized to receive information and respond to questions about this Form ADV, you may provide that information here.

Name:	Titles:		
THAY ARROYO	COMPLIANCE ANALYST		
Telephone number:	Facsimile number, if any:		
407-627-1814	863-292-8717		
Number and Street 1:	Number and Street 2:		
531 W MORSE BLVD	SUITE 200		
City:	State:	Country:	ZIP+4/Postal Code:
WINTER PARK	Florida	United States	32789

Electronic mail (e-mail) address, if contact person has one:
THAY.ARROYO@ANDCOCONSULTING.COM

- L. Do you maintain some or all of the books and records you are required to keep under Section 204 of the Advisers Act, or similar state law, somewhere other than your *principal office and place of business*? Yes No
☐ Yes ☒ No

If "yes," complete Section 1.L. of Schedule D.

- M. Are you registered with a *foreign financial regulatory authority*? Yes No
☐ Yes ☒ No

Answer "no" if you are not registered with a foreign financial regulatory authority, even if you have an affiliate that is registered with a foreign financial regulatory authority. If "yes," complete Section 1.M. of Schedule D.

- N. Are you a public reporting company under Sections 12 or 15(d) of the Securities Exchange Act of 1934? Yes No
☐ Yes ☒ No

- O. Did you have \$1 billion or more in assets on the last day of your most recent fiscal year? Yes No
If yes, what is the approximate amount of your assets: ☐ Yes ☒ No
- ☐ \$1 billion to less than \$10 billion
☐ \$10 billion to less than \$50 billion
☐ \$50 billion or more

For purposes of Item 1.O. only, "assets" refers to your total assets, rather than the assets you manage on behalf of clients. Determine your total assets using the total assets shown on the balance sheet for your most recent fiscal year end.

- P. Provide your *Legal Entity Identifier* if you have one:

A *legal entity identifier* is a unique number that companies use to identify each other in the financial marketplace. You may not have a *legal entity identifier*.

SECTION 1.B. Other Business Names

No Information Filed

SECTION 1.F. Other Offices

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of employees).

Number and Street 1:
2000 AUBURN DRIVE

City:
BEACHWOOD

State:
Ohio

Number and Street 2:
SUITE 200

Country:
United States

ZIP+4/Postal Code:
44122

If this address is a private residence, check this box: ☐

Telephone Number:
844-448-6326

Facsimile Number, if any:
863-292-8717

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:

How many *employees* perform investment advisory functions from this office location?
2

Are other business activities conducted at this office location? (check all that apply)

- ☐ (1) Broker-dealer (registered or unregistered)
- ☐ (2) Bank (including a separately identifiable department or division of a bank)
- ☐ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

Number and Street 1:
3131 MCKINNEY AVE

City:
DALLAS

State:
Texas

Number and Street 2:
SUITE 600

Country:
United States

ZIP+4/Postal Code:
75204

If this address is a private residence, check this box: ☐

Telephone Number:
844-448-6326

Facsimile Number, if any:
863-292-8717

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:

How many *employees* perform investment advisory functions from this office location?
1

Are other business activities conducted at this office location? (check all that apply)

- ☐ (1) Broker-dealer (registered or unregistered)
- ☐ (2) Bank (including a separately identifiable department or division of a bank)
- ☐ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor

☐ (6) Accountant or accounting firm

☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of employees).

Number and Street 1:

5470 KIETZKE LANE

Number and Street 2:

SUITE 304

City:

RENO

State:

Nevada

Country:

United States

ZIP+4/Postal Code:

89511

If this address is a private residence, check this box: ☐

Telephone Number:

844-448-6326

Facsimile Number, if any:

863-292-8717

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the CRD Branch Number here:

How many *employees* perform investment advisory functions from this office location?

5

Are other business activities conducted at this office location? (check all that apply)

☐ (1) Broker-dealer (registered or unregistered)

☐ (2) Bank (including a separately identifiable department or division of a bank)

☐ (3) Insurance broker or agent

☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)

☐ (5) Registered municipal advisor

☐ (6) Accountant or accounting firm

☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of employees).

Number and Street 1:

3333 WARRENVILLE ROAD

Number and Street 2:

SUITE 200

City:

NAPERVILLE

State:

Illinois

Country:

United States

ZIP+4/Postal Code:

60563

If this address is a private residence, check this box: ☐

Telephone Number:

844-44-ANDCO

Facsimile Number, if any:

863-292-8717

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:

How many *employees* perform investment advisory functions from this office location?
11

Are other business activities conducted at this office location? (check all that apply)

- ☐ (1) Broker-dealer (registered or unregistered)
☐ (2) Bank (including a separately identifiable department or division of a bank)
☐ (3) Insurance broker or agent
☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
☐ (5) Registered municipal advisor
☐ (6) Accountant or accounting firm
☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

Number and Street 1:
875 GREEN TREE ROAD

City:
PITTSBURGH

State:
Pennsylvania

Number and Street 2:
SEVEN PARKWAY CENTER, SUITE 840

Country: ZIP+4/Postal Code:
United States 15220

If this address is a private residence, check this box: ☐

Telephone Number:
844-448-6326

Facsimile Number, if any:
863-292-8717

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:

How many *employees* perform investment advisory functions from this office location?
4

Are other business activities conducted at this office location? (check all that apply)

- ☐ (1) Broker-dealer (registered or unregistered)
☐ (2) Bank (including a separately identifiable department or division of a bank)
☐ (3) Insurance broker or agent
☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
☐ (5) Registered municipal advisor
☐ (6) Accountant or accounting firm
☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you

are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of employees).

Number and Street 1:
29777 TELEGRAPH ROAD

City:
SOUTHFIELD

State:
Michigan

Number and Street 2:
SUITE 2200

Country:
United States

ZIP+4/Postal Code:
48034

If this address is a private residence, check this box: ☐

Telephone Number:
844-44-ANDCO

Facsimile Number, if any:
863-292-8717

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the CRD Branch Number here:

How many *employees* perform investment advisory functions from this office location?
3

Are other business activities conducted at this office location? (check all that apply)

- ☐ (1) Broker-dealer (registered or unregistered)
- ☐ (2) Bank (including a separately identifiable department or division of a bank)
- ☐ (3) Insurance broker or agent
- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (5) Registered municipal advisor
- ☐ (6) Accountant or accounting firm
- ☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

SECTION 1.I. Website Addresses

List your website addresses, including addresses for accounts on publicly available social media platforms where you control the content (including, but not limited to, Twitter, Facebook and/or LinkedIn). You must complete a separate Schedule D Section 1.I. for each website or account on a publicly available social media platform.

Address of Website/Account on Publicly Available Social Media Platform: HTTP://WWW.BOGDAHNGROUP.COM

Address of Website/Account on Publicly Available Social Media Platform: HTTP://WWW.THEBOGDAHNGROUP.COM

Address of Website/Account on Publicly Available Social Media Platform: HTTP://WWW.BOGDAHNCONSULTING.COM

Address of Website/Account on Publicly Available Social Media Platform: HTTP://WWW.BECKERBURKE.COM

Address of Website/Account on Publicly Available Social Media Platform: HTTP://WWW.RAULININC.COM

Address of Website/Account on Publicly Available Social Media Platform: HTTP://WWW.GREGORYWGROUP.COM

Address of Website/Account on Publicly Available Social Media Platform:	HTTP://WWW.THISTLEASSET.COM
Address of Website/Account on Publicly Available Social Media Platform:	HTTP://WWW.ASSETSTRATEGIE.COM
Address of Website/Account on Publicly Available Social Media Platform:	https://www.andcoconsulting.com/
Address of Website/Account on Publicly Available Social Media Platform:	https://www.youtube.com/channel/UC3IPSHEqkwuPIQSwpkhavA
Address of Website/Account on Publicly Available Social Media Platform:	HTTP://WWW.BIDART-ROSS.COM
Address of Website/Account on Publicly Available Social Media Platform:	HTTPS://WWW.LINKEDIN.COM/COMPANY/ANDCO-CONSULTING/
Address of Website/Account on Publicly Available Social Media Platform:	HTTPS://TWITTER.COM/ANDCOCONSULTING

SECTION 1.L. Location of Books and Records

Complete the following information for each location at which you keep your books and records, other than your *principal office and place of business*. You must complete a separate Schedule D, Section 1.L. for each location.

Name of entity where books and records are kept:
MYCOMPLIANCEOFFICE

Number and Street 1: 535 5TH AVENUE	Number and Street 2: 4TH FLOOR
City: NEW YORK	State: New York
Country: United States	ZIP+4/Postal Code: 10017

If this address is a private residence, check this box: ☐

Telephone Number:
866-981-1558

Facsimile number, if any:

This is (check one):

☐ one of your branch offices or affiliates.

☒ a third-party unaffiliated recordkeeper.

☐ other.

Briefly describe the books and records kept at this location.
CERTAIN ELECTRONIC COMPLIANCE RECORDS.

Name of entity where books and records are kept:
GLOBAL RELAY

Number and Street 1:
220 CAMBRIE STREET

City:
VANCOUVER

State:

Number and Street 2:
2ND FLOOR

Country:
Canada

ZIP+4/Postal Code:
BCV6B2M9

If this address is a private residence, check this box: ☐

Telephone Number:
866-484-6630

Facsimile number, if any:

This is (check one):

- ☐ one of your branch offices or affiliates.
☒ a third-party unaffiliated recordkeeper.
☐ other.

Briefly describe the books and records kept at this location.
CERTAIN ELECTRONIC COMMUNICATIONS AND RECORDS.

Name of entity where books and records are kept:
SMARSH INC.

Number and Street 1:
851 SW 6TH AVE

City:
PORTLAND

State:
Oregon

Number and Street 2:
SUITE 800

Country:
United States

ZIP+4/Postal Code:
97204

If this address is a private residence, check this box: ☐

Telephone Number:
503-946-5980

Facsimile number, if any:

This is (check one):

- ☐ one of your branch offices or affiliates.
☒ a third-party unaffiliated recordkeeper.
☐ other.

Briefly describe the books and records kept at this location.
CERTAIN ELECTRONIC COMMUNICATIONS AND RECORDS.

Name of entity where books and records are kept:
MICROSOFT AZURE

Number and Street 1:
ONE MICROSOFT WAY

City:
REDMOND

State:
Washington

Number and Street 2:

Country:
United States

ZIP+4/Postal Code:
98052

If this address is a private residence, check this box: ☐

Telephone Number:
1-800-867-1389

Facsimile number, if any:

This is (check one):

- ☐ one of your branch offices or affiliates.
- ☒ a third-party unaffiliated recordkeeper.
- ☐ other.

Briefly describe the books and records kept at this location.

CLOUD-BASED STORAGE OF CERTAIN ELECTRONIC BOOKS AND RECORDS.

SECTION 1.M. Registration with Foreign Financial Regulatory Authorities

No Information Filed

Item 2 SEC Registration/Reporting

Responses to this Item help us (and you) determine whether you are eligible to register with the SEC. Complete this Item 2.A. only if you are applying for SEC registration or submitting an *annual updating amendment* to your SEC registration. If you are filing an *umbrella registration*, the information in Item 2 should be provided for the *filing adviser* only.

A. To register (or remain registered) with the SEC, you must check **at least one** of the Items 2.A.(1) through 2.A.(12), below. If you are submitting an *annual updating amendment* to your SEC registration and you are no longer eligible to register with the SEC, check Item 2.A.(13). Part 1A Instruction 2 provides information to help you determine whether you may affirmatively respond to each of these items.

You (the adviser):

- ☐ (1) are a **large advisory firm** that either:
- (a) has regulatory assets under management of \$100 million (in U.S. dollars) or more; or
 - (b) has regulatory assets under management of \$90 million (in U.S. dollars) or more at the time of filing its most recent *annual updating amendment* and is registered with the SEC;
- ☐ (2) are a **mid-sized advisory firm** that has regulatory assets under management of \$25 million (in U.S. dollars) or more but less than \$100 million (in U.S. dollars) and you are either:
- (a) not required to be registered as an adviser with the *state securities authority* of the state where you maintain your *principal office and place of business*; or
 - (b) not subject to examination by the *state securities authority* of the state where you maintain your *principal office and place of business*;
- Click **HERE** for a list of states in which an investment adviser, if registered, would not be subject to examination by the state securities authority.*
- ☐ (3) Reserved
- ☐ (4) have your *principal office and place of business* **outside the United States**;
- ☐ (5) are an **investment adviser (or subadviser) to an investment company** registered under the Investment Company Act of 1940;
- ☐ (6) are an **investment adviser to a company which has elected to be a business development company** pursuant to section 54 of the Investment Company Act of 1940 and has not withdrawn the election, and you have at least \$25 million of regulatory assets under management;
- ☒ (7) are a **pension consultant** with respect to assets of plans having an aggregate value of at least \$200,000,000 that qualifies for the exemption in rule 203A-2(a);
- ☐ (8) are a **related adviser** under rule 203A-2(b) that *controls*, is *controlled* by, or is under common *control* with, an investment adviser that is registered with the SEC, and your *principal office and place of business* is the same as the registered adviser;
- If you check this box, complete Section 2.A.(8) of Schedule D.*
- ☐ (9) are an **adviser** relying on rule 203A-2(c) because you **expect to be eligible for SEC registration within 120 days**;
- If you check this box, complete Section 2.A.(9) of Schedule D.*
- ☐ (10) are a **multi-state adviser** that is required to register in 15 or more states and is relying on rule 203A-2(d);
- If you check this box, complete Section 2.A.(10) of Schedule D.*
- ☐ (11) are an **Internet adviser** relying on rule 203A-2(e);
- ☐ (12) have **received an SEC order** exempting you from the prohibition against registration with the SEC;
- If you check this box, complete Section 2.A.(12) of Schedule D.*
- ☐ (13) are **no longer eligible** to remain registered with the SEC.

State Securities Authority Notice Filings and State Reporting by Exempt Reporting Advisers

C. Under state laws, SEC-registered advisers may be required to provide to *state securities authorities* a copy of the Form ADV and any amendments they file with the SEC. These are called *notice filings*. In addition, *exempt reporting advisers* may be required to provide *state securities authorities* with a copy of reports and any amendments they file with the SEC. If this is an initial application or report, check the box(es) next to the state(s) that you would like to receive notice of this and all subsequent filings or reports you submit to the SEC. If this is an amendment to direct your *notice filings* or reports to additional state(s), check the box(es) next to the state(s) that you would like to receive notice of this and all subsequent filings or reports you submit to the SEC. If this is an amendment to

your registration to stop your *notice filings* or reports from going to state(s) that currently receive them, uncheck the box(es) next to those state(s).

Jurisdictions

<input type="checkbox"/> AL	<input checked="" type="checkbox"/> IL	<input type="checkbox"/> NE	<input type="checkbox"/> SC
<input type="checkbox"/> AK	<input checked="" type="checkbox"/> IN	<input checked="" type="checkbox"/> NV	<input type="checkbox"/> SD
<input type="checkbox"/> AZ	<input checked="" type="checkbox"/> IA	<input type="checkbox"/> NH	<input type="checkbox"/> TN
<input type="checkbox"/> AR	<input type="checkbox"/> KS	<input type="checkbox"/> NJ	<input checked="" type="checkbox"/> TX
<input type="checkbox"/> CA	<input type="checkbox"/> KY	<input type="checkbox"/> NM	<input type="checkbox"/> UT
<input type="checkbox"/> CO	<input checked="" type="checkbox"/> LA	<input type="checkbox"/> NY	<input type="checkbox"/> VT
<input type="checkbox"/> CT	<input type="checkbox"/> ME	<input type="checkbox"/> NC	<input type="checkbox"/> VI
<input type="checkbox"/> DE	<input type="checkbox"/> MD	<input type="checkbox"/> ND	<input type="checkbox"/> VA
<input checked="" type="checkbox"/> DC	<input type="checkbox"/> MA	<input checked="" type="checkbox"/> OH	<input type="checkbox"/> WA
<input checked="" type="checkbox"/> FL	<input checked="" type="checkbox"/> MI	<input checked="" type="checkbox"/> OK	<input type="checkbox"/> WV
<input type="checkbox"/> GA	<input type="checkbox"/> MN	<input type="checkbox"/> OR	<input checked="" type="checkbox"/> WI
<input type="checkbox"/> GU	<input type="checkbox"/> MS	<input checked="" type="checkbox"/> PA	<input type="checkbox"/> WY
<input type="checkbox"/> HI	<input type="checkbox"/> MO	<input type="checkbox"/> PR	
<input type="checkbox"/> ID	<input type="checkbox"/> MT	<input type="checkbox"/> RI	

If you are amending your registration to stop your notice filings or reports from going to a state that currently receives them and you do not want to pay that state's notice filing or report filing fee for the coming year, your amendment must be filed before the end of the year (December 31).

SECTION 2.A.(8) Related Adviser

If you are relying on the exemption in rule 203A-2(b) from the prohibition on registration because you *control*, are *controlled by*, or are under common *control* with an investment adviser that is registered with the SEC and your *principal office and place of business* is the same as that of the registered adviser, provide the following information:

Name of Registered Investment Adviser

CRD Number of Registered Investment Adviser

SEC Number of Registered Investment Adviser

-

SECTION 2.A.(9) Investment Adviser Expecting to be Eligible for Commission Registration within 120 Days

If you are relying on rule 203A-2(c), the exemption from the prohibition on registration available to an adviser that expects to be eligible for SEC registration within 120 days, you are required to make certain representations about your eligibility for SEC registration. By checking the appropriate boxes, you will be deemed to have made the required representations. You must make both of these representations:

- ☐ I am not registered or required to be registered with the SEC or a *state securities authority* and I have a reasonable expectation that I will be eligible to register with the SEC within 120 days after the date my registration with the SEC becomes effective.
- ☐ I undertake to withdraw from SEC registration if, on the 120th day after my registration with the SEC becomes effective, I would be prohibited by Section 203A(a) of the Advisers Act from registering with the SEC.

SECTION 2.A.(10) Multi-State Adviser

If you are relying on rule 203A-2(d), the multi-state adviser exemption from the prohibition on registration, you are required to make certain representations about your eligibility for SEC registration. By checking the appropriate boxes, you will be deemed to have made the required representations.

If you are applying for registration as an investment adviser with the SEC, you must make both of these representations:

- ☐ I have reviewed the applicable state and federal laws and have concluded that I am required by the laws of 15 or more states to register as an investment adviser with the *state securities authorities* in those states.

- ☐ I undertake to withdraw from SEC registration if I file an amendment to this registration indicating that I would be required by the laws of fewer than 15 states to register as an investment adviser with the *state securities authorities* of those states.

If you are submitting your *annual updating amendment*, you must make this representation:

- ☐ Within 90 days prior to the date of filing this amendment, I have reviewed the applicable state and federal laws and have concluded that I am required by the laws of at least 15 states to register as an investment adviser with the *state securities authorities* in those states.

SECTION 2.A.(12) SEC Exemptive Order

If you are relying upon an SEC *order* exempting you from the prohibition on registration, provide the following information:

Application Number:

803-

Date of *order*:

Item 3 Form of Organization

If you are filing an *umbrella registration*, the information in Item 3 should be provided for the *filing adviser* only.

A. How are you organized?

- ☐ Corporation
- ☐ Sole Proprietorship
- ☐ Limited Liability Partnership (LLP)
- ☐ Partnership
- ☒ Limited Liability Company (LLC)
- ☐ Limited Partnership (LP)
- ☐ Other (specify):

If you are changing your response to this Item, see Part 1A Instruction 4.

B. In what month does your fiscal year end each year?

DECEMBER

C. Under the laws of what state or country are you organized?

State Country

Florida United States

If you are a partnership, provide the name of the state or country under whose laws your partnership was formed. If you are a sole proprietor, provide the name of the state or country where you reside.

If you are changing your response to this Item, see Part 1A Instruction 4.

Item 4 Successions

	Yes	No
A. Are you, at the time of this filing, succeeding to the business of a registered investment adviser, including, for example, a change of your structure or legal status (e.g., form of organization or state of incorporation)?	<input type="radio"/>	<input checked="" type="radio"/>
<i>If "yes", complete Item 4.B. and Section 4 of Schedule D.</i>		
B. Date of Succession: (MM/DD/YYYY)		
<i>If you have already reported this succession on a previous Form ADV filing, do not report the succession again. Instead, check "No." See Part 1A Instruction 4.</i>		

SECTION 4 Successions

No Information Filed

Item 5 Information About Your Advisory Business - Employees, Clients, and Compensation

Responses to this Item help us understand your business, assist us in preparing for on-site examinations, and provide us with data we use when making regulatory policy. Part 1A Instruction 5.a. provides additional guidance to newly formed advisers for completing this Item 5.

Employees

If you are organized as a sole proprietorship, include yourself as an employee in your responses to Item 5.A. and Items 5.B.(1), (2), (3), (4), and (5). If an employee performs more than one function, you should count that employee in each of your responses to Items 5.B.(1), (2), (3), (4), and (5).

A. Approximately how many *employees* do you have? Include full- and part-time *employees* but do not include any clerical workers.
90

B. (1) Approximately how many of the *employees* reported in 5.A. perform investment advisory functions (including research)?
84

(2) Approximately how many of the *employees* reported in 5.A. are registered representatives of a broker-dealer?
0

(3) Approximately how many of the *employees* reported in 5.A. are registered with one or more *state securities authorities* as *investment adviser representatives*?
4

(4) Approximately how many of the *employees* reported in 5.A. are registered with one or more *state securities authorities* as *investment adviser representatives* for an investment adviser other than you?
0

(5) Approximately how many of the *employees* reported in 5.A. are licensed agents of an insurance company or agency?
0

(6) Approximately how many firms or other *persons* solicit advisory *clients* on your behalf?
0

In your response to Item 5.B.(6), do not count any of your employees and count a firm only once – do not count each of the firm's employees that solicit on your behalf.

Clients

In your responses to Items 5.C. and 5.D. do not include as "clients" the investors in a private fund you advise, unless you have a separate advisory relationship with those investors.

C. (1) To approximately how many *clients* for whom you do not have regulatory assets under management did you provide investment advisory services during your most recently completed fiscal year?
894

(2) Approximately what percentage of your *clients* are non-United States persons?
1%

D. *For purposes of this Item 5.D., the category "individuals" includes trusts, estates, and 401(k) plans and IRAs of individuals and their family members, but does not include businesses organized as sole proprietorships. The category "business development companies" consists of companies that have made an election pursuant to section 54 of the Investment Company Act of 1940. Unless you provide advisory services pursuant to an investment advisory contract to an investment company registered under the Investment Company Act of 1940, do not answer (d)(1) or (d)(3) below.*

Indicate the approximate number of your *clients* and amount of your total regulatory assets under management (reported in Item 5.F. below) attributable to each of the following type of *client*. If you have fewer than 5 *clients* in a particular category (other than (d), (e), and (f)) you may check Item 5.D.(2) rather than respond to Item 5.D.(1).

The aggregate amount of regulatory assets under management reported in Item 5.D.(3) should equal the total amount of regulatory assets under management reported in Item 5.F.(2)(c) below.

If a *client* fits into more than one category, select one category that most accurately represents the *client* to avoid double counting *clients* and assets. If you advise a registered investment company, business development company, or pooled investment vehicle, report those assets in categories (d), (e), and (f) as applicable.

Type of Client	(1) Number of Client(s)	(2) Fewer than 5 Clients	(3) Amount of Regulatory Assets under Management
(a) Individuals (other than <i>high net worth individuals</i>)		<input type="checkbox"/>	\$
(b) <i>High net worth individuals</i>		<input type="checkbox"/>	\$
(c) Banking or thrift institutions		<input type="checkbox"/>	\$
(d) Investment companies			\$
(e) Business development companies			\$
(f) Pooled investment vehicles (other than investment companies and business development companies)			\$
(g) Pension and profit sharing plans (but not the plan participants or government pension plans)	10	<input type="checkbox"/>	\$ 296,600,000
(h) Charitable organizations		<input type="checkbox"/>	\$
(i) State or municipal <i>government entities</i> (including government pension plans)		<input type="checkbox"/>	\$
(j) Other investment advisers		<input type="checkbox"/>	\$
(k) Insurance companies		<input type="checkbox"/>	\$
(l) Sovereign wealth funds and foreign official institutions		<input type="checkbox"/>	\$
(m) Corporations or other businesses not listed above		<input type="checkbox"/>	\$
(n) Other:		<input type="checkbox"/>	\$

Compensation Arrangements

E. You are compensated for your investment advisory services by (check all that apply):

- ☒ (1) A percentage of assets under your management
- ☒ (2) Hourly charges
- ☐ (3) Subscription fees (for a newsletter or periodical)
- ☒ (4) Fixed fees (other than subscription fees)
- ☐ (5) Commissions
- ☐ (6) *Performance-based fees*
- ☐ (7) Other (specify):

Item 5 Information About Your Advisory Business - Regulatory Assets Under Management

Regulatory Assets Under Management

			Yes	No
F. (1)	Do you provide continuous and regular supervisory or management services to securities portfolios?		<input checked="" type="radio"/>	<input type="radio"/>
(2)	If yes, what is the amount of your regulatory assets under management and total number of accounts?			
	U.S. Dollar Amount	Total Number of Accounts		
Discretionary:	(a) \$ 296,600,000	(d) 10		
Non-Discretionary:	(b) \$ 0	(e) 0		
Total:	(c) \$ 296,600,000	(f) 10		
<i>Part 1A Instruction 5.b. explains how to calculate your regulatory assets under management. You must follow these instructions carefully when completing this Item.</i>				
(3)	What is the approximate amount of your total regulatory assets under management (reported in Item 5.F.(2)(c) above) attributable to <i>clients</i> who are non-United States persons?			
	\$ 0			

Item 5 Information About Your Advisory Business - Advisory Activities

Advisory Activities

G. What type(s) of advisory services do you provide? Check all that apply.

- ☐ (1) Financial planning services
- ☐ (2) Portfolio management for individuals and/or small businesses
- ☐ (3) Portfolio management for investment companies (as well as "business development companies" that have made an

- election pursuant to section 54 of the Investment Company Act of 1940)
- ☐ (4) Portfolio management for pooled investment vehicles (other than investment companies)
 - ☐ (5) Portfolio management for businesses (other than small businesses) or institutional *clients* (other than registered investment companies and other pooled investment vehicles)
 - ☒ (6) Pension consulting services
 - ☒ (7) Selection of other advisers (including *private fund* managers)
 - ☐ (8) Publication of periodicals or newsletters
 - ☐ (9) Security ratings or pricing services
 - ☐ (10) Market timing services
 - ☐ (11) Educational seminars/workshops
 - ☒ (12) Other(specify): INVESTMENT AND FIDUCIARY GOVERNANCE CONSULTING

Do not check Item 5.G.(3) unless you provide advisory services pursuant to an investment advisory contract to an investment company registered under the Investment Company Act of 1940, including as a subadviser. If you check Item 5.G.(3), report the 811 or 814 number of the investment company or investment companies to which you provide advice in Section 5.G.(3) of Schedule D.

H. If you provide financial planning services, to how many *clients* did you provide these services during your last fiscal year?

- ☐ 0
- ☐ 1 - 10
- ☐ 11 - 25
- ☐ 26 - 50
- ☐ 51 - 100
- ☐ 101 - 250
- ☐ 251 - 500
- ☐ More than 500

If more than 500, how many?
(round to the nearest 500)

In your responses to this Item 5.H., do not include as "clients" the investors in a private fund you advise, unless you have a separate advisory relationship with those investors.

- | | Yes | No |
|------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------|
| I. (1) Do you participate in a <i>wrap fee program</i> ? | <input type="radio"/> | <input checked="" type="radio"/> |
| (2) If you participate in a <i>wrap fee program</i> , what is the amount of your regulatory assets under management attributable to acting as: | | |
| (a) <i>sponsor</i> to a <i>wrap fee program</i> | | |
| \$ | | |
| (b) portfolio manager for a <i>wrap fee program</i> ? | | |
| \$ | | |
| (c) <i>sponsor</i> to and portfolio manager for the same <i>wrap fee program</i> ? | | |
| \$ | | |

If you report an amount in Item 5.I.(2)(c), do not report that amount in Item 5.I.(2)(a) or Item 5.I.(2)(b).

If you are a portfolio manager for a wrap fee program, list the names of the programs, their sponsors and related information in Section 5.I.(2) of Schedule D.

If your involvement in a wrap fee program is limited to recommending wrap fee programs to your clients, or you advise a mutual fund that is offered through a wrap fee program, do not check Item 5.I.(1) or enter any amounts in response to Item 5.I.(2).

- | | Yes | No |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------|
| J. (1) In response to Item 4.B. of Part 2A of Form ADV, do you indicate that you provide investment advice only with respect to limited types of investments? | <input type="radio"/> | <input checked="" type="radio"/> |
| (2) Do you report <i>client</i> assets in Item 4.E. of Part 2A that are computed using a different method than the method used to compute your regulatory assets under management? | <input type="radio"/> | <input checked="" type="radio"/> |

K. Separately Managed Account *Clients*

Yes No

- (1) Do you have regulatory assets under management attributable to *clients* other than those listed in Item 5.D.(3)(d)-(f)

(separately managed account *clients*)?



If yes, complete Section 5.K.(1) of Schedule D.

(2) Do you engage in borrowing transactions on behalf of any of the separately managed account *clients* that you advise?



If yes, complete Section 5.K.(2) of Schedule D.

(3) Do you engage in derivative transactions on behalf of any of the separately managed account *clients* that you advise?



If yes, complete Section 5.K.(2) of Schedule D.

(4) After subtracting the amounts in Item 5.D.(3)(d)-(f) above from your total regulatory assets under management, does any custodian hold ten percent or more of this remaining amount of regulatory assets under management?



If yes, complete Section 5.K.(3) of Schedule D for each custodian.

SECTION 5.G.(3) Advisers to Registered Investment Companies and Business Development Companies

No Information Filed

SECTION 5.I.(2) Wrap Fee Programs

No Information Filed

SECTION 5.K.(1) Separately Managed Accounts

After subtracting the amounts reported in Item 5.D.(3)(d)-(f) from your total regulatory assets under management, indicate the approximate percentage of this remaining amount attributable to each of the following categories of assets. If the remaining amount is at least \$10 billion in regulatory assets under management, complete Question (a). If the remaining amount is less than \$10 billion in regulatory assets under management, complete Question (b).

Any regulatory assets under management reported in Item 5.D.(3)(d), (e), and (f) should not be reported below.

If you are a subadviser to a separately managed account, you should only provide information with respect to the portion of the account that you subadvise.

End of year refers to the date used to calculate your regulatory assets under management for purposes of your *annual updating amendment*. Mid-year is the date six months before the end of year date. Each column should add up to 100% and numbers should be rounded to the nearest percent.

Investments in derivatives, registered investment companies, business development companies, and pooled investment vehicles should be reported in those categories. Do not report those investments based on related or underlying portfolio assets. Cash equivalents include bank deposits, certificates of deposit, bankers' acceptances and similar bank instruments.

Some assets could be classified into more than one category or require discretion about which category applies. You may use your own internal methodologies and the conventions of your service providers in determining how to categorize assets, so long as the methodologies or conventions are consistently applied and consistent with information you report internally and to current and prospective clients. However, you should not double count assets, and your responses must be consistent with any instructions or other guidance relating to this Section.

(a)	Asset Type	Mid-year	End of year
(i)	Exchange-Traded Equity Securities	%	%
(ii)	Non Exchange-Traded Equity Securities	%	%
(iii)	U.S. Government/Agency Bonds	%	%
(iv)	U.S. State and Local Bonds	%	%
(v)	Sovereign Bonds	%	%
(vi)	Investment Grade Corporate Bonds	%	%

(vii) Non-Investment Grade Corporate Bonds	%	%
(viii) Derivatives	%	%
(ix) Securities Issued by Registered Investment Companies or Business Development Companies	%	%
(x) Securities Issued by Pooled Investment Vehicles (other than Registered Investment Companies or Business Development Companies)	%	%
(xi) Cash and Cash Equivalents	%	%
(xii) Other	%	%

Generally describe any assets included in "Other"

(b) Asset Type	End of year
(i) Exchange-Traded Equity Securities	1 %
(ii) Non Exchange-Traded Equity Securities	0 %
(iii) U.S. Government/Agency Bonds	0 %
(iv) U.S. State and Local Bonds	0 %
(v) <i>Sovereign Bonds</i>	0 %
(vi) Investment Grade Corporate Bonds	0 %
(vii) Non-Investment Grade Corporate Bonds	0 %
(viii) Derivatives	0 %
(ix) Securities Issued by Registered Investment Companies or Business Development Companies	85 %
(x) Securities Issued by Pooled Investment Vehicles (other than Registered Investment Companies or Business Development Companies)	12 %
(xi) Cash and Cash Equivalents	2 %
(xii) Other	0 %

Generally describe any assets included in "Other"

SECTION 5.K.(2) Separately Managed Accounts - Use of *Borrowings* and Derivatives

☐ No information is required to be reported in this Section 5.K.(2) per the instructions of this Section 5.K.(2)

If your regulatory assets under management attributable to separately managed accounts are at least \$10 billion, you should complete Question (a). If your regulatory assets under management attributable to separately managed accounts are at least \$500 million but less than \$10 billion, you should complete Question (b).

(a) In the table below, provide the following information regarding the separately managed accounts you advise. If you are a subadviser to a separately managed account, you should only provide information with respect to the portion of the account that you subadvise. End of year refers to the date used to calculate your regulatory assets under management for purposes of your *annual updating amendment*. Mid-year is the date six months before the end of year date.

In column 1, indicate the regulatory assets under management attributable to separately managed accounts associated with each level of gross notional exposure. For purposes of this table, the gross notional exposure of an account is the percentage obtained by dividing (i) the sum of (a) the dollar amount of any *borrowings* and (b) the *gross notional value* of all derivatives, by (ii) the regulatory assets under management of the account.

In column 2, provide the dollar amount of *borrowings* for the accounts included in column 1.

In column 3, provide aggregate *gross notional value* of derivatives divided by the aggregate regulatory assets under management of the accounts included in column 1 with respect to each category of derivatives specified in 3(a) through (f).

You may, but are not required to, complete the table with respect to any separately managed account with regulatory assets under management of less than \$10,000,000.

Any regulatory assets under management reported in Item 5.D.(3)(d), (e), and (f) should not be reported below.

(i) Mid-Year

Gross Notional Exposure	(1) Regulatory Assets Under Management	(2) Borrowings	(3) Derivative Exposures					
			(a) Interest Rate Derivative	(b) Foreign Exchange Derivative	(c) Credit Derivative	(d) Equity Derivative	(e) Commodity Derivative	(f) Other Derivative
Less than 10%	\$	\$	%	%	%	%	%	%
10-149%	\$	\$	%	%	%	%	%	%
150% or more	\$	\$	%	%	%	%	%	%

Optional: Use the space below to provide a narrative description of the strategies and/or manner in which *borrowings* and derivatives are used in the management of the separately managed accounts that you advise.

(ii) End of Year

Gross Notional Exposure	(1) Regulatory Assets Under Management	(2) Borrowings	(3) Derivative Exposures					
			(a) Interest Rate Derivative	(b) Foreign Exchange Derivative	(c) Credit Derivative	(d) Equity Derivative	(e) Commodity Derivative	(f) Other Derivative
Less than 10%	\$	\$	%	%	%	%	%	%
10-149%	\$	\$	%	%	%	%	%	%
150% or more	\$	\$	%	%	%	%	%	%

Optional: Use the space below to provide a narrative description of the strategies and/or manner in which *borrowings* and derivatives are used in the management of the separately managed accounts that you advise.

- (b) In the table below, provide the following information regarding the separately managed accounts you advise as of the date used to calculate your regulatory assets under management for purposes of your *annual updating amendment*. If you are a subadvisor to a separately managed account, you should only provide information with respect to the portion of the account that you subadvise.

In column 1, indicate the regulatory assets under management attributable to separately managed accounts associated with each level of gross notional exposure. For purposes of this table, the gross notional exposure of an account is the percentage obtained by dividing (i) the sum of (a) the dollar amount of any *borrowings* and (b) the *gross notional value* of all derivatives, by (ii) the regulatory assets under management of the account.

In column 2, provide the dollar amount of *borrowings* for the accounts included in column 1.

You may, but are not required to, complete the table with respect to any separately managed accounts with regulatory assets under management of less than \$10,000,000.

Any regulatory assets under management reported in Item 5.D.(3)(d), (e), and (f) should not be reported below.

Gross Notional Exposure	(1) Regulatory Assets Under Management	(2) Borrowings
Less than 10%	\$	\$
10-149%	\$	\$
150% or more	\$	\$

Optional: Use the space below to provide a narrative description of the strategies and/or manner in which *borrowings* and derivatives are used in the management of the separately managed accounts that you advise.

SECTION 5.K.(3) Custodians for Separately Managed Accounts

No Information Filed

Item 6 Other Business Activities

In this Item, we request information about your firm's other business activities.

A. You are actively engaged in business as a (check all that apply):

- ☐ (1) broker-dealer (registered or unregistered)
- ☐ (2) registered representative of a broker-dealer
- ☐ (3) commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (4) futures commission merchant
- ☐ (5) real estate broker, dealer, or agent
- ☐ (6) insurance broker or agent
- ☐ (7) bank (including a separately identifiable department or division of a bank)
- ☐ (8) trust company
- ☐ (9) registered municipal advisor
- ☐ (10) registered security-based swap dealer
- ☐ (11) major security-based swap participant
- ☐ (12) accountant or accounting firm
- ☐ (13) lawyer or law firm
- ☐ (14) other financial product salesperson (specify):

If you engage in other business using a name that is different from the names reported in Items 1.A. or 1.B.(1), complete Section 6.A. of Schedule D.

Yes No

- B. (1) Are you actively engaged in any other business not listed in Item 6.A. (other than giving investment advice)? ☐ ☒
- (2) If yes, is this other business your primary business? ☐ ☐

If "yes," describe this other business on Section 6.B.(2) of Schedule D, and if you engage in this business under a different name, provide that name.

Yes No

- (3) Do you sell products or provide services other than investment advice to your advisory *clients*? ☐ ☒

If "yes," describe this other business on Section 6.B.(3) of Schedule D, and if you engage in this business under a different name, provide that name.

SECTION 6.A. Names of Your Other Businesses

No Information Filed

SECTION 6.B.(2) Description of Primary Business

Describe your primary business (not your investment advisory business):

If you engage in that business under a different name, provide that name:

SECTION 6.B.(3) Description of Other Products and Services

Describe other products or services you sell to your *client*. You may omit products and services that you listed in Section 6.B.(2) above.

If you engage in that business under a different name, provide that name:

Item 7 Financial Industry Affiliations

In this Item, we request information about your financial industry affiliations and activities. This information identifies areas in which conflicts of interest may occur between you and your *clients*.

- A. This part of Item 7 requires you to provide information about you and your *related persons*, including foreign affiliates. Your *related persons* are all of your *advisory affiliates* and any *person* that is under common *control* with you.

You have a *related person* that is a (check all that apply):

- ☐ (1) broker-dealer, municipal securities dealer, or government securities broker or dealer (registered or unregistered)
- ☐ (2) other investment adviser (including financial planners)
- ☐ (3) registered municipal advisor
- ☐ (4) registered security-based swap dealer
- ☐ (5) major security-based swap participant
- ☐ (6) commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (7) futures commission merchant
- ☐ (8) banking or thrift institution
- ☐ (9) trust company
- ☐ (10) accountant or accounting firm
- ☐ (11) lawyer or law firm
- ☐ (12) insurance company or agency
- ☐ (13) pension consultant
- ☐ (14) real estate broker or dealer
- ☐ (15) sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles
- ☐ (16) sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

Note that Item 7.A. should not be used to disclose that some of your employees perform investment advisory functions or are registered representatives of a broker-dealer. The number of your firm's employees who perform investment advisory functions should be disclosed under Item 5.B.(1). The number of your firm's employees who are registered representatives of a broker-dealer should be disclosed under Item 5.B.(2).

Note that if you are filing an umbrella registration, you should not check Item 7.A.(2) with respect to your relying advisers, and you do not have to complete Section 7.A. in Schedule D for your relying advisers. You should complete a Schedule R for each relying adviser.

For each related person, including foreign affiliates that may not be registered or required to be registered in the United States, complete Section 7.A. of Schedule D.

You do not need to complete Section 7.A. of Schedule D for any related person if: (1) you have no business dealings with the related person in connection with advisory services you provide to your clients; (2) you do not conduct shared operations with the related person; (3) you do not refer clients or business to the related person, and the related person does not refer prospective clients or business to you; (4) you do not share supervised persons or premises with the related person; and (5) you have no reason to believe that your relationship with the related person otherwise creates a conflict of interest with your clients.

You must complete Section 7.A. of Schedule D for each related person acting as qualified custodian in connection with advisory services you provide to your clients (other than any mutual fund transfer agent pursuant to rule 206(4)-2(b)(1)), regardless of whether you have determined the related person to be operationally independent under rule 206(4)-2 of the Advisers Act.

SECTION 7.A. Financial Industry Affiliations

No Information Filed

Item 7 Private Fund Reporting

Yes No

- B. Are you an adviser to any *private fund*? ☐ ☒

If "yes," then for each private fund that you advise, you must complete a Section 7.B.(1) of Schedule D, except in certain circumstances described in the next sentence and in Instruction 6 of the Instructions to Part 1A. If you are registered or applying for registration with the SEC or reporting as an SEC exempt reporting adviser, and another SEC-registered adviser or SEC exempt reporting adviser reports this information with respect to any such private fund in Section 7.B.(1) of Schedule D of its Form ADV (e.g., if you are a subadviser), do not complete Section 7.B.(1) of Schedule D with respect to that private fund. You must, instead, complete Section 7.B.(2) of Schedule D.

In either case, if you seek to preserve the anonymity of a private fund client by maintaining its identity in your books and records in

numerical or alphabetical code, or similar designation, pursuant to rule 204-2(d), you may identify the private fund in Section 7.B.(1) or 7.B.(2) of Schedule D using the same code or designation in place of the fund's name.

SECTION 7.B.(1) *Private Fund* Reporting

No Information Filed

SECTION 7.B.(2) *Private Fund* Reporting

No Information Filed

Item 8 Participation or Interest in *Client* Transactions

In this Item, we request information about your participation and interest in your *clients'* transactions. This information identifies additional areas in which conflicts of interest may occur between you and your *clients*. Newly-formed advisers should base responses to these questions on the types of participation and interest that you expect to engage in during the next year.

Like Item 7, Item 8 requires you to provide information about you and your *related persons*, including foreign affiliates.

Proprietary Interest in *Client* Transactions

- | | Yes | No |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| A. Do you or any <i>related person</i> : | | |
| (1) buy securities for yourself from advisory <i>clients</i> , or sell securities you own to advisory <i>clients</i> (principal transactions)? | <input type="radio"/> | <input checked="" type="radio"/> |
| (2) buy or sell for yourself securities (other than shares of mutual funds) that you also recommend to advisory <i>clients</i> ? | <input checked="" type="radio"/> | <input type="radio"/> |
| (3) recommend securities (or other investment products) to advisory <i>clients</i> in which you or any <i>related person</i> has some other proprietary (ownership) interest (other than those mentioned in Items 8.A.(1) or (2))? | <input type="radio"/> | <input checked="" type="radio"/> |

Sales Interest in *Client* Transactions

- | | Yes | No |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------|
| B. Do you or any <i>related person</i> : | | |
| (1) as a broker-dealer or registered representative of a broker-dealer, execute securities trades for brokerage customers in which advisory <i>client</i> securities are sold to or bought from the brokerage customer (agency cross transactions)? | <input type="radio"/> | <input checked="" type="radio"/> |
| (2) recommend to advisory <i>clients</i> , or act as a purchaser representative for advisory <i>clients</i> with respect to, the purchase of securities for which you or any <i>related person</i> serves as underwriter or general or managing partner? | <input type="radio"/> | <input checked="" type="radio"/> |
| (3) recommend purchase or sale of securities to advisory <i>clients</i> for which you or any <i>related person</i> has any other sales interest (other than the receipt of sales commissions as a broker or registered representative of a broker-dealer)? | <input type="radio"/> | <input checked="" type="radio"/> |

Investment or Brokerage Discretion

- | | Yes | No |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| C. Do you or any <i>related person</i> have <i>discretionary authority</i> to determine the: | | |
| (1) securities to be bought or sold for a <i>client's</i> account? | <input checked="" type="radio"/> | <input type="radio"/> |
| (2) amount of securities to be bought or sold for a <i>client's</i> account? | <input checked="" type="radio"/> | <input type="radio"/> |
| (3) broker or dealer to be used for a purchase or sale of securities for a <i>client's</i> account? | <input type="radio"/> | <input checked="" type="radio"/> |
| (4) commission rates to be paid to a broker or dealer for a <i>client's</i> securities transactions? | <input type="radio"/> | <input checked="" type="radio"/> |
| D. If you answer "yes" to C.(3) above, are any of the brokers or dealers <i>related persons</i> ? | <input type="radio"/> | <input checked="" type="radio"/> |
| E. Do you or any <i>related person</i> recommend brokers or dealers to <i>clients</i> ? | <input type="radio"/> | <input checked="" type="radio"/> |
| F. If you answer "yes" to E. above, are any of the brokers or dealers <i>related persons</i> ? | <input type="radio"/> | <input type="radio"/> |
| G. (1) Do you or any <i>related person</i> receive research or other products or services other than execution from a broker-dealer or a third party ("soft dollar benefits") in connection with <i>client</i> securities transactions? | <input type="radio"/> | <input checked="" type="radio"/> |
| (2) If "yes" to G.(1) above, are all the "soft dollar benefits" you or any <i>related persons</i> receive eligible "research or brokerage services" under section 28(e) of the Securities Exchange Act of 1934? | <input type="radio"/> | <input type="radio"/> |
| H. (1) Do you or any <i>related person</i> , directly or indirectly, compensate any <i>person</i> that is not an <i>employee</i> for <i>client</i> referrals? | <input type="radio"/> | <input checked="" type="radio"/> |
| (2) Do you or any <i>related person</i> , directly or indirectly, provide any <i>employee</i> compensation that is specifically related to obtaining <i>clients</i> for the firm (cash or non-cash compensation in addition to the <i>employee's</i> regular salary)? | <input type="radio"/> | <input checked="" type="radio"/> |
| I. Do you or any <i>related person</i> , including any <i>employee</i> , directly or indirectly, receive compensation from any <i>person</i> (other than you or any <i>related person</i>) for <i>client</i> referrals? | <input type="radio"/> | <input checked="" type="radio"/> |
- In your response to Item 8.I., do not include the regular salary you pay to an employee.*

In responding to Items 8.H. and 8.I., consider all cash and non-cash compensation that you or a related person gave to (in answering Item 8.H.) or received from (in answering Item 8.I.) any person in exchange for client referrals, including any bonus that is based, at least in part, on the number or amount of client referrals.

Item 9 Custody

In this Item, we ask you whether you or a *related person* has *custody of client* (other than *clients* that are investment companies registered under the Investment Company Act of 1940) assets and about your custodial practices.

- A. (1) Do you have *custody* of any advisory *clients*': **Yes No**
- (a) cash or bank accounts? ☐ ☒
- (b) securities? ☐ ☒

If you are registering or registered with the SEC, answer "No" to Item 9.A.(1)(a) and (b) if you have custody solely because (i) you deduct your advisory fees directly from your clients' accounts, or (ii) a related person has custody of client assets in connection with advisory services you provide to clients, but you have overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)-2(d)(5)) from the related person.

- (2) If you checked "yes" to Item 9.A.(1)(a) or (b), what is the approximate amount of *client* funds and securities and total number of *clients* for which you have *custody*:

U.S. Dollar Amount	Total Number of <i>Clients</i>
(a) \$	(b)

If you are registering or registered with the SEC and you have custody solely because you deduct your advisory fees directly from your clients' accounts, do not include the amount of those assets and the number of those clients in your response to Item 9.A.(2). If your related person has custody of client assets in connection with advisory services you provide to clients, do not include the amount of those assets and number of those clients in your response to 9.A.(2). Instead, include that information in your response to Item 9.B.(2).

- B. (1) In connection with advisory services you provide to *clients*, do any of your *related persons* have *custody* of any of your advisory *clients*': **Yes No**
- (a) cash or bank accounts? ☐ ☒
- (b) securities? ☐ ☒

You are required to answer this item regardless of how you answered Item 9.A.(1)(a) or (b).

- (2) If you checked "yes" to Item 9.B.(1)(a) or (b), what is the approximate amount of *client* funds and securities and total number of *clients* for which your *related persons* have *custody*:

U.S. Dollar Amount	Total Number of <i>Clients</i>
(a) \$	(b)

- C. If you or your *related persons* have *custody* of *client* funds or securities in connection with advisory services you provide to *clients*, check all the following that apply:

- (1) A qualified custodian(s) sends account statements at least quarterly to the investors in the pooled investment vehicle(s) you manage. ☐
- (2) An *independent public accountant* audits annually the pooled investment vehicle(s) that you manage and the audited financial statements are distributed to the investors in the pools. ☐
- (3) An *independent public accountant* conducts an annual surprise examination of *client* funds and securities. ☐
- (4) An *independent public accountant* prepares an internal control report with respect to custodial services when you or your *related persons* are qualified custodians for *client* funds and securities. ☐

If you checked Item 9.C.(2), C.(3) or C.(4), list in Section 9.C. of Schedule D the accountants that are engaged to perform the audit or examination or prepare an internal control report. (If you checked Item 9.C.(2), you do not have to list auditor information in Section 9.C. of Schedule D if you already provided this information with respect to the private funds you advise in Section 7.B.(1) of Schedule D).

- D. Do you or your *related person(s)* act as qualified custodians for your *clients* in connection with advisory services you provide to *clients*? **Yes No**
- (1) you act as a qualified custodian ☐ ☒
- (2) your *related person(s)* act as qualified custodian(s) ☐ ☒

If you checked "yes" to Item 9.D.(2), all related persons that act as qualified custodians (other than any mutual fund transfer agent pursuant to rule 206(4)-2(b)(1)) must be identified in Section 7.A. of Schedule D, regardless of whether you have determined the related person to be operationally independent under rule 206(4)-2 of the Advisers Act.

- E. If you are filing your *annual updating amendment* and you were subject to a surprise examination by an *independent public accountant* during your last fiscal year, provide the date (MM/YYYY) the examination commenced:
- F. If you or your *related persons* have *custody* of *client* funds or securities, how many *persons*, including, but not limited to, you and your *related persons*, act as qualified custodians for your *clients* in connection with advisory services you provide to *clients*?

SECTION 9.C. Independent Public Accountant

No Information Filed

Item 10 Control Persons

In this Item, we ask you to identify every *person* that, directly or indirectly, *controls* you. If you are filing an *umbrella registration*, the information in Item 10 should be provided for the *filing adviser* only.

If you are submitting an initial application or report, you must complete Schedule A and Schedule B. Schedule A asks for information about your direct owners and executive officers. Schedule B asks for information about your indirect owners. If this is an amendment and you are updating information you reported on either Schedule A or Schedule B (or both) that you filed with your initial application or report, you must complete Schedule C.

- | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------|
| | Yes | No |
| A. Does any <i>person</i> not named in Item 1.A. or Schedules A, B, or C, directly or indirectly, <i>control</i> your management or policies? | <input type="radio"/> | <input checked="" type="radio"/> |

If yes, complete Section 10.A. of Schedule D.

- B. If any *person* named in Schedules A, B, or C or in Section 10.A. of Schedule D is a public reporting company under Sections 12 or 15(d) of the Securities Exchange Act of 1934, please complete Section 10.B. of Schedule D.

SECTION 10.A. Control Persons

No Information Filed

SECTION 10.B. Control Person Public Reporting Companies

No Information Filed

Item 11 Disclosure Information

In this Item, we ask for information about your disciplinary history and the disciplinary history of all your *advisory affiliates*. We use this information to determine whether to grant your application for registration, to decide whether to revoke your registration or to place limitations on your activities as an investment adviser, and to identify potential problem areas to focus on during our on-site examinations. One event may result in "yes" answers to more than one of the questions below. In accordance with General Instruction 5 to Form ADV, "you" and "your" include the *filing adviser* and all *relying advisers* under an *umbrella registration*.

Your *advisory affiliates* are: (1) all of your current *employees* (other than *employees* performing only clerical, administrative, support or similar functions); (2) all of your officers, partners, or directors (or any *person* performing similar functions); and (3) all *persons* directly or indirectly *controlling* you or *controlled* by you. If you are a "separately identifiable department or division" (SID) of a bank, see the Glossary of Terms to determine who your *advisory affiliates* are.

If you are registered or registering with the SEC or if you are an exempt reporting adviser, you may limit your disclosure of any event listed in Item 11 to ten years following the date of the event. If you are registered or registering with a state, you must respond to the questions as posed; you may, therefore, limit your disclosure to ten years following the date of an event only in responding to Items 11.A.(1), 11.A.(2), 11.B.(1), 11.B.(2), 11.D.(4), and 11.H.(1)(a). For purposes of calculating this ten-year period, the date of an event is the date the final order, judgment, or decree was entered, or the date any rights of appeal from preliminary orders, judgments, or decrees lapsed.

You must complete the appropriate Disclosure Reporting Page ("DRP") for "yes" answers to the questions in this Item 11.

	Yes	No
Do any of the events below involve you or any of your <i>supervised persons</i> ?	<input type="radio"/>	<input type="radio"/>

For "yes" answers to the following questions, complete a Criminal Action DRP:

A. In the past ten years, have you or any <i>advisory affiliate</i> :	Yes	No
(1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any <i>felony</i> ?	<input type="radio"/>	<input type="radio"/>
(2) been <i>charged</i> with any <i>felony</i> ?	<input type="radio"/>	<input type="radio"/>

If you are registered or registering with the SEC, or if you are reporting as an exempt reporting adviser, you may limit your response to Item 11.A.(2) to charges that are currently pending.

B. In the past ten years, have you or any <i>advisory affiliate</i> :		
(1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to a <i>misdemeanor</i> involving: investments or an <i>investment-related</i> business, or any fraud, false statements, or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses?	<input type="radio"/>	<input type="radio"/>
(2) been <i>charged</i> with a <i>misdemeanor</i> listed in Item 11.B.(1)?	<input type="radio"/>	<input type="radio"/>

If you are registered or registering with the SEC, or if you are reporting as an exempt reporting adviser, you may limit your response to Item 11.B.(2) to charges that are currently pending.

For "yes" answers to the following questions, complete a Regulatory Action DRP:

C. Has the SEC or the Commodity Futures Trading Commission (CFTC) ever:	Yes	No
(1) <i>found</i> you or any <i>advisory affiliate</i> to have made a false statement or omission?	<input type="radio"/>	<input type="radio"/>
(2) <i>found</i> you or any <i>advisory affiliate</i> to have been <i>involved</i> in a violation of SEC or CFTC regulations or statutes?	<input type="radio"/>	<input type="radio"/>
(3) <i>found</i> you or any <i>advisory affiliate</i> to have been a cause of an <i>investment-related</i> business having its authorization to do business denied, suspended, revoked, or restricted?	<input type="radio"/>	<input type="radio"/>
(4) entered an <i>order</i> against you or any <i>advisory affiliate</i> in connection with <i>investment-related</i> activity?	<input type="radio"/>	<input type="radio"/>
(5) imposed a civil money penalty on you or any <i>advisory affiliate</i> , or <i>ordered</i> you or any <i>advisory affiliate</i> to cease and desist from any activity?	<input type="radio"/>	<input type="radio"/>
D. Has any other federal regulatory agency, any state regulatory agency, or any <i>foreign financial regulatory authority</i> :		
(1) ever <i>found</i> you or any <i>advisory affiliate</i> to have made a false statement or omission, or been dishonest, unfair, or unethical?	<input type="radio"/>	<input type="radio"/>
(2) ever <i>found</i> you or any <i>advisory affiliate</i> to have been <i>involved</i> in a violation of <i>investment-related</i> regulations or statutes?	<input type="radio"/>	<input type="radio"/>
(3) ever <i>found</i> you or any <i>advisory affiliate</i> to have been a cause of an <i>investment-related</i> business having its authorization to do business denied, suspended, revoked, or restricted?	<input type="radio"/>	<input type="radio"/>
(4) in the past ten years, entered an <i>order</i> against you or any <i>advisory affiliate</i> in connection with an <i>investment-related</i>	<input type="radio"/>	<input type="radio"/>

activity?

- (5) ever denied, suspended, or revoked your or any *advisory affiliate's* registration or license, or otherwise prevented you or any *advisory affiliate*, by order, from associating with an *investment-related* business or restricted your or any *advisory affiliate's* activity? ☐ ☒

E. Has any *self-regulatory organization* or commodities exchange ever:

- (1) *found* you or any *advisory affiliate* to have made a false statement or omission? ☐ ☒
- (2) *found* you or any *advisory affiliate* to have been *involved* in a violation of its rules (other than a violation designated as a "*minor rule violation*" under a plan approved by the SEC)? ☐ ☒
- (3) *found* you or any *advisory affiliate* to have been the cause of an *investment-related* business having its authorization to do business denied, suspended, revoked, or restricted? ☐ ☒
- (4) disciplined you or any *advisory affiliate* by expelling or suspending you or the *advisory affiliate* from membership, barring or suspending you or the *advisory affiliate* from association with other members, or otherwise restricting your or the *advisory affiliate's* activities? ☐ ☒

F. Has an authorization to act as an attorney, accountant, or federal contractor granted to you or any *advisory affiliate* ever been revoked or suspended? ☐ ☒

G. Are you or any *advisory affiliate* now the subject of any regulatory *proceeding* that could result in a "yes" answer to any part of Item 11.C., 11.D., or 11.E.? ☐ ☒

For "yes" answers to the following questions, complete a Civil Judicial Action DRP:

- | | | Yes | No |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------|
| H. | (1) Has any domestic or foreign court: | | |
| | (a) in the past ten years, <i>enjoined</i> you or any <i>advisory affiliate</i> in connection with any <i>investment-related</i> activity? | <input type="radio"/> | <input checked="" type="radio"/> |
| | (b) ever <i>found</i> that you or any <i>advisory affiliate</i> were <i>involved</i> in a violation of <i>investment-related</i> statutes or regulations? | <input type="radio"/> | <input checked="" type="radio"/> |
| | (c) ever dismissed, pursuant to a settlement agreement, an <i>investment-related</i> civil action brought against you or any <i>advisory affiliate</i> by a state or <i>foreign financial regulatory authority</i> ? | <input type="radio"/> | <input checked="" type="radio"/> |
| | (2) Are you or any <i>advisory affiliate</i> now the subject of any civil <i>proceeding</i> that could result in a "yes" answer to any part of Item 11.H.(1)? | <input type="radio"/> | <input checked="" type="radio"/> |

Item 12 Small Businesses

The SEC is required by the Regulatory Flexibility Act to consider the effect of its regulations on small entities. In order to do this, we need to determine whether you meet the definition of "small business" or "small organization" under rule 0-7.

Answer this Item 12 only if you are registered or registering with the SEC **and** you indicated in response to Item 5.F.(2)(c) that you have regulatory assets under management of less than \$25 million. You are not required to answer this Item 12 if you are filing for initial registration as a state adviser, amending a current state registration, or switching from SEC to state registration.

For purposes of this Item 12 only:

- Total Assets refers to the total assets of a firm, rather than the assets managed on behalf of *clients*. In determining your or another *person's* total assets, you may use the total assets shown on a current balance sheet (but use total assets reported on a consolidated balance sheet with subsidiaries included, if that amount is larger).
- *Control* means the power to direct or cause the direction of the management or policies of a *person*, whether through ownership of securities, by contract, or otherwise. Any *person* that directly or indirectly has the right to vote 25 percent or more of the voting securities, or is entitled to 25 percent or more of the profits, of another *person* is presumed to *control* the other *person*.

	Yes	No
A. Did you have total assets of \$5 million or more on the last day of your most recent fiscal year?	<input type="radio"/>	<input type="radio"/>
If "yes," you do not need to answer Items 12.B. and 12.C.		
B. Do you:		
(1) <i>control</i> another investment adviser that had regulatory assets under management (calculated in response to Item 5.F.(2)(c) of Form ADV) of \$25 million or more on the last day of its most recent fiscal year?	<input type="radio"/>	<input type="radio"/>
(2) <i>control</i> another <i>person</i> (other than a natural person) that had total assets of \$5 million or more on the last day of its most recent fiscal year?	<input type="radio"/>	<input type="radio"/>
C. Are you:		
(1) <i>controlled</i> by or under common <i>control</i> with another investment adviser that had regulatory assets under management (calculated in response to Item 5.F.(2)(c) of Form ADV) of \$25 million or more on the last day of its most recent fiscal year?	<input type="radio"/>	<input type="radio"/>
(2) <i>controlled</i> by or under common <i>control</i> with another <i>person</i> (other than a natural person) that had total assets of \$5 million or more on the last day of its most recent fiscal year?	<input type="radio"/>	<input type="radio"/>

Schedule A**Direct Owners and Executive Officers**

1. Complete Schedule A only if you are submitting an initial application or report. Schedule A asks for information about your direct owners and executive officers. Use Schedule C to amend this information.
2. Direct Owners and Executive Officers. List below the names of:
 - (a) each Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, Chief Legal Officer, Chief Compliance Officer (Chief Compliance Officer is required if you are registered or applying for registration and cannot be more than one individual), director, and any other individuals with similar status or functions;
 - (b) if you are organized as a corporation, each shareholder that is a direct owner of 5% or more of a class of your voting securities, unless you are a public reporting company (a company subject to Section 12 or 15(d) of the Exchange Act);
Direct owners include any *person* that owns, beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 5% or more of a class of your voting securities. For purposes of this Schedule, a *person* beneficially owns any securities: (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or (ii) that he/she has the right to acquire, within 60 days, through the exercise of any option, warrant, or right to purchase the security.
 - (c) if you are organized as a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 5% or more of your capital;
 - (d) in the case of a trust that directly owns 5% or more of a class of your voting securities, or that has the right to receive upon dissolution, or has contributed, 5% or more of your capital, the trust and each trustee; and
 - (e) if you are organized as a limited liability company ("LLC"), (i) those members that have the right to receive upon dissolution, or have contributed, 5% or more of your capital, and (ii) if managed by elected managers, all elected managers.
3. Do you have any indirect owners to be reported on Schedule B? ☐ Yes ☒ No
4. In the DE/FE/I column below, enter "DE" if the owner is a domestic entity, "FE" if the owner is an entity incorporated or domiciled in a foreign country, or "I" if the owner or executive officer is an individual.
5. Complete the Title or Status column by entering board/management titles; status as partner, trustee, sole proprietor, elected manager, shareholder, or member; and for shareholders or members, the class of securities owned (if more than one is issued).
6. Ownership codes are: NA - less than 5% B - 10% but less than 25% D - 50% but less than 75%
A - 5% but less than 10% C - 25% but less than 50% E - 75% or more
7. (a) In the *Control Person* column, enter "Yes" if the *person* has *control* as defined in the Glossary of Terms to Form ADV, and enter "No" if the *person* does not have *control*. Note that under this definition, most executive officers and all 25% owners, general partners, elected managers, and trustees are *control persons*.
(b) In the PR column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Exchange Act.
(c) Complete each column.

FULL LEGAL NAME (Individuals: Last Name, First Name, Middle Name)	DE/FE/I	Title or Status	Date Title or Status Acquired MM/YYYY	Ownership Code	Control Person	PR	CRD No. If None: S.S. No. and Date of Birth, IRS Tax No. or Employer ID No.
WELKER, MICHAEL, FRANCIS	I	LLC MANAGER AND CEO	09/2008	E	Y	N	4738425
BAKARDJIEV, BRYAN, EMERSON	I	CHIEF OPERATING OFFICER	01/2011	A	Y	N	4926641
GORDON, STEVEN, ELLIOTT	I	PARTNER	01/2010	A	Y	N	4533817
BROWN, TROY, ERIC	I	EXECUTIVE DIRECTOR OF CONSULTING	01/2011	A	Y	N	2145769
SPURLIN, KIMBERLY, WOOLWEAVER	I	CHIEF FINANCIAL OFFICER	01/2013	NA	Y	N	6472809
SEARLE, SARA, PENNISI	I	CHIEF COMPLIANCE OFFICER	06/2019	NA	Y	N	6380470
BRIGNONI, RACHEL, DAWN	I	CHIEF HUMAN RESOURCES OFFICER	01/2020	NA	Y	N	7219406

Schedule B

Indirect Owners

1. Complete Schedule B only if you are submitting an initial application or report. Schedule B asks for information about your indirect owners; you must first complete Schedule A, which asks for information about your direct owners. Use Schedule C to amend this information.
2. Indirect Owners. With respect to each owner listed on Schedule A (except individual owners), list below:
 - (a) in the case of an owner that is a corporation, each of its shareholders that beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 25% or more of a class of a voting security of that corporation;

For purposes of this Schedule, a *person* beneficially owns any securities: (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or (ii) that he/she has the right to acquire, within 60 days, through the exercise of any option, warrant, or right to purchase the security.
 - (b) in the case of an owner that is a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 25% or more of the partnership's capital;
 - (c) in the case of an owner that is a trust, the trust and each trustee; and
 - (d) in the case of an owner that is a limited liability company ("LLC"), (i) those members that have the right to receive upon dissolution, or have contributed, 25% or more of the LLC's capital, and (ii) if managed by elected managers, all elected managers.
3. Continue up the chain of ownership listing all 25% owners at each level. Once a public reporting company (a company subject to Sections 12 or 15(d) of the Exchange Act) is reached, no further ownership information need be given.
4. In the DE/FE/I column below, enter "DE" if the owner is a domestic entity, "FE" if the owner is an entity incorporated or domiciled in a foreign country, or "I" if the owner is an individual.
5. Complete the Status column by entering the owner's status as partner, trustee, elected manager, shareholder, or member; and for shareholders or members, the class of securities owned (if more than one is issued).
6. Ownership codes are: C - 25% but less than 50% E - 75% or more
 D - 50% but less than 75% F - Other (general partner, trustee, or elected manager)
7. (a) In the *Control Person* column, enter "Yes" if the *person* has *control* as defined in the Glossary of Terms to Form ADV, and enter "No" if the *person* does not have *control*. Note that under this definition, most executive officers and all 25% owners, general partners, elected managers, and trustees are *control persons*.
 - (b) In the PR column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Exchange Act.
 - (c) Complete each column.

No Information Filed

Schedule D - Miscellaneous

You may use the space below to explain a response to an Item or to provide any other information.

Schedule R

No Information Filed

DRP Pages

CRIMINAL DISCLOSURE REPORTING PAGE (ADV)

No Information Filed

REGULATORY ACTION DISCLOSURE REPORTING PAGE (ADV)

No Information Filed

CIVIL JUDICIAL ACTION DISCLOSURE REPORTING PAGE (ADV)

No Information Filed

Part 2**Exemption from brochure delivery requirements for SEC-registered advisers**

SEC rules exempt SEC-registered advisers from delivering a firm brochure to some kinds of clients. If these exemptions excuse you from delivering a brochure to *all* of your advisory clients, you do not have to prepare a brochure.

Yes No

Are you exempt from delivering a brochure to all of your clients under these rules?




If no, complete the ADV Part 2 filing below.

Amend, retire or file new brochures:

Brochure ID	Brochure Name	Brochure Type(s)
335661	ANDCO CONSULTING ADV PART 2A - INTERIM AMENDMENT JUNE 2020	Pension consulting
348804	ANDCO CONSULTING ADV PART 2A - ANNUAL AMENDMENT 2021	Pension consulting

Part 3

CRS	Type(s)	Affiliate Info	Retire
	Investment Adviser		

Execution Pages

DOMESTIC INVESTMENT ADVISER EXECUTION PAGE

You must complete the following Execution Page to Form ADV. This execution page must be signed and attached to your initial submission of Form ADV to the SEC and all amendments.

Appointment of Agent for Service of Process

By signing this Form ADV Execution Page, you, the undersigned adviser, irrevocably appoint the Secretary of State or other legally designated officer, of the state in which you maintain your *principal office and place of business* and any other state in which you are submitting a *notice filing*, as your agents to receive service, and agree that such *persons* may accept service on your behalf, of any notice, subpoena, summons, *order* instituting *proceedings*, demand for arbitration, or other process or papers, and you further agree that such service may be made by registered or certified mail, in any federal or state action, administrative *proceeding* or arbitration brought against you in any place subject to the jurisdiction of the United States, if the action, *proceeding*, or arbitration (a) arises out of any activity in connection with your investment advisory business that is subject to the jurisdiction of the United States, and (b) is *founded*, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, or any rule or regulation under any of these acts, or (ii) the laws of the state in which you maintain your *principal office and place of business* or of any state in which you are submitting a *notice filing*.

Signature

I, the undersigned, sign this Form ADV on behalf of, and with the authority of, the investment adviser. The investment adviser and I both certify, under penalty of perjury under the laws of the United States of America, that the information and statements made in this ADV, including exhibits and any other information submitted, are true and correct, and that I am signing this Form ADV Execution Page as a free and voluntary act.

I certify that the adviser's books and records will be preserved and available for inspection as required by law. Finally, I authorize any *person* having *custody* or possession of these books and records to make them available to federal and state regulatory representatives.

Signature:	Date: MM/DD/YYYY
SARA SEARLE	03/29/2021
Printed Name:	Title:
SARA SEARLE	CHIEF COMPLIANCE OFFICER
Adviser CRD Number:	
111964	

NON-RESIDENT INVESTMENT ADVISER EXECUTION PAGE

You must complete the following Execution Page to Form ADV. This execution page must be signed and attached to your initial submission of Form ADV to the SEC and all amendments.

1. Appointment of Agent for Service of Process

By signing this Form ADV Execution Page, you, the undersigned adviser, irrevocably appoint each of the Secretary of the SEC, and the Secretary of State or other legally designated officer, of any other state in which you are submitting a *notice filing*, as your agents to receive service, and agree that such *persons* may accept service on your behalf, of any notice, subpoena, summons, *order* instituting *proceedings*, demand for arbitration, or other process or papers, and you further agree that such service may be made by registered or certified mail, in any federal or state action, administrative *proceeding* or arbitration brought against you in any place subject to the jurisdiction of the United States, if the action, *proceeding* or arbitration (a) arises out of any activity in connection with your investment advisory business that is subject to the jurisdiction of the United States, and (b) is *founded*, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, or any rule or regulation under any of these acts, or (ii) the laws of any state in which you are submitting a *notice filing*.

2. Appointment and Consent: Effect on Partnerships

If you are organized as a partnership, this irrevocable power of attorney and consent to service of process will continue in effect if any partner withdraws from or is admitted to the partnership, provided that the admission or withdrawal does not create a new partnership. If the partnership dissolves, this irrevocable power of attorney and consent shall be in effect for any action brought against you or any of your former partners.

3. *Non-Resident* Investment Adviser Undertaking Regarding Books and Records

By signing this Form ADV, you also agree to provide, at your own expense, to the U.S. Securities and Exchange Commission at its principal office in Washington D.C., at any Regional or District Office of the Commission, or at any one of its offices in the United States, as specified by the Commission, correct, current, and complete copies of any or all records that you are required to maintain under Rule 204-2 under the Investment Advisers Act of 1940. This undertaking shall be binding upon you, your heirs, successors and assigns, and any *person* subject to your written irrevocable consents or powers of attorney or any of your general partners and *managing agents*.

Signature

I, the undersigned, sign this Form ADV on behalf of, and with the authority of, the *non-resident* investment adviser. The investment adviser and I both certify, under penalty of perjury under the laws of the United States of America, that the information and statements made in this ADV, including exhibits and any other information submitted, are true and correct, and that I am signing this Form ADV Execution Page as a free and voluntary act.

I certify that the adviser's books and records will be preserved and available for inspection as required by law. Finally, I authorize any *person* having *custody* or possession of these books and records to make them available to federal and state regulatory representatives.

Signature:

Date: MM/DD/YYYY

Printed Name:

Title:

Adviser CRD Number:

111964

ADV Part 2A

ITEM 1 – COVER PAGE



March 29, 2021

531 W Morse Blvd, Suite 200
Winter Park, FL 32789
Phone: 844.442.6326
www.AndCoConsulting.com

This brochure provides information about the qualifications and business practices of AndCo Consulting (“AndCo”). If you have any questions about the contents of this brochure, please contact us at 844.442.6326, or by email at compliance@AndCoConsulting.com. The information contained in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about AndCo is available at the SEC’s website at www.advisorinfo.sec.gov.

ITEM 2 - MATERIAL CHANGES

The following items have materially changed from our last annual brochure which was dated March 26, 2020:

- AndCo moved its headquarters, effective June 1st, 2020, to 531 W Morse Blvd, Suite 200, Winter Park, FL 32789.
- Employee ownership was extended to two additional individuals, Dan Osika and Jacob Peacock, who were each granted a 1% Unit Appreciation Right which allows them to share in a bonus pool established by the company each year along with net proceeds on an internal or external sale of the company without the tax implications and liabilities of real equity. Over the past several years, ownership has been extended to 10 employees who collectively own 23.5% of the company. This ownership consists of a combination of both direct equity and Unit Appreciation Rights. With this expansion in employee ownership, the breakdown is outlined below:
 - Mike Welker (Control Person) – 76.5%
 - Bryan Bakardjiev – 5%
 - Steve Gordon – 5%
 - Kim Spurlin – 2.5%
 - Troy Brown – 5%
 - Dan Johnson – 1%
 - Dan Osika – 1%
 - Jacob Peacock – 1%
 - Jason Purdy – 1%
 - Donna Sullivan -1%
 - Evan Scussel -1%
- In order to help navigate the economic uncertainty surrounding the COVID-19 pandemic, AndCo applied for and received funding under the Paycheck Protection Program established by the U.S. Small Business Administration. Additional detail is included under Item 18.

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ITEM 4 - ADVISORY BUSINESS

Who We Are

AndCo is a 100% employee-owned/employee-managed, full-service registered investment advisor¹ offering a broad range of truly independent investment and fiduciary consulting services to all types of institutional clients.

Our History

AndCo was organized in September 2000 as a Florida Limited Liability Company offering investment consulting services to institutional clients under the leadership of Joseph R. Bogdahn. In a milestone for the firm, at the beginning of 2015 majority ownership was acquired by Michael Welker as the first step of a long-planned succession. From 2017 to 2021, employee ownership was expanded to 10 employees who now collectively own 23.5% of the company. This ownership consists of certain individuals having direct equity and others participating via Unit Appreciation Rights, which potentially allows them to share in the profits of the company along with net proceeds on an internal or external sale without the tax implications and liabilities of real equity.

Today, we have a team of talented professionals with diverse business backgrounds and offices in strategic locations throughout the United States.

Owners

Michael F. Welker, CEO, is the only owner of more than 25% of the company and is also the sole Manager of the LLC. There are 4 additional equity partners that own approximately 17.5% of the company and 6 participants in the Unit Appreciation Program that are entitled to 6% of the company upon sale or liquidation.

Mission, Vision and Values

MISSION

To represent the sole interest of our clients by redefining independence.

VISION

To be a transformational organization viewed as the leader in our industry.

VALUES

Service – Put the needs of our clients, co-workers and community above our own

Excellence – Always pursue perfection

Humility – Demonstrate modesty, respect and introspection

Integrity – Be honest and ethical in all circumstances

Positive Attitude – Disposition of optimism and encouragement

¹ The term “registered investment advisor” is not intended to imply that AndCo has attained a certain level of skill or training. It is used strictly to reference the fact that we are “Registered” as an “Investment Advisor” with the United States Securities & Exchange Commission – and “Notice Filed” with such other State Regulatory Agencies that may have limited regulatory jurisdiction over our business practices.



WHAT WE DO

Institutional Investment and Fiduciary Consulting Services:

At AndCo, we strive to deliver our services in a customized and user-friendly format based on each client's unique needs. Using a combination of data, general education, frequent presentations and various communication tools, we attempt to provide our clients with the resources and actionable recommendations that will allow them to make the most informed decisions possible.

Simplified Approach:

We believe in simplifying investment and fiduciary decisions. We have found that the most effective way to accomplish this objective is to build client "partnerships" based on understanding and trust. By taking time to meet and understand our clients on a personal level, we are able to provide them with meaningful and actionable investment guidance that aims to produce sustainable, solid results that are specific to each plan.

While our recommendations are based on a wealth of experience and in-depth analysis, we strive to present client information in a format that is understandable and intuitive. As a result, we do not structure our presentations or communications to impress the client with our technical knowledge and expertise, but rather to allow clients to easily recall the reasoning behind each of the recommendations we make for their portfolio.

Definitive Recommendations & Guidance:

One of the greatest criticisms of the consulting industry as a whole is that firms are "long on theory and short on execution." We continuously work to provide our clients with definitive recommendations and efficient implementation of portfolio structures and strategies.

Although most portfolio decisions are ultimately implemented at the direction of the client, our process is focused on identifying and quantifying investment themes that allow for the realistic assessment of risk and the establishment of return expectations. The presentation and communication of this information is structured toward allowing clients to make informed investment and fiduciary decisions they can trust.

Straight Forward Solutions:

In today's investment and regulatory environment, client needs, portfolio and plan design strategies are increasingly complex. Despite these challenges, we continuously work to tailor our information and recommendations using a "straight forward" approach that results in actionable, cost-efficient client solutions.

We encourage any prospect to communicate with our clients and other industry professionals to evaluate their opinion of our services and professionalism. You may quickly discern that there is a significant difference between consulting firms and that AndCo has a unique and enviable position in the industry.

Client Service Approach:

Each client will be assigned a primary consultant that is accountable and responsible for coordinating the relationship and understanding that client's specific needs. However, to maximize the effectiveness of our recommendations, AndCo utilizes a team-based approach to client service providing dedicated resources to further meet and exceed our client needs. This client service approach is based on the belief that the formulation of an investment plan or participant outcome strategy, coupled with prudent implementation and performance evaluation, is essential to the oversight of investment assets.



Our primary objective is to serve as the client's advocate and guide in implementing effective strategies to reach their unique goals. At AndCo, we focus on creating partnerships, not customers. Our investment and fiduciary consulting services are specifically tailored to meet each client's distinctive needs. From return requirements, risk tolerance, cash flow, and liquidity needs, to plan design and participant outcomes, we work with each client to implement dynamic strategies based on their goals through time. Additionally, we will work with our clients to help customize investment guidelines within their Investment Policy Statement, including imposing certain restrictions or limitations relative to investing in certain securities or types of securities.

Through careful research and collaboration, our focused consultants and dedicated service teams provide the key ingredients necessary for fostering and maintaining strong client-centered relationships across all plan types. In short, we work to meet all the needs and demands of our clients by establishing a framework that simplifies their investment and fiduciary decisions.

As of December 31, 2020, our approximate assets consisted of the following:

AMOUNT OF APPROXIMATE ASSETS	
Discretionary*	\$296,600,000
Assets Under Advisement**	\$112,095,100,000
Total	\$112,391,700,000

** This is equivalent to the regulatory assets under management disclosed in Item 5.F of Adviser's Form ADV Part 1A. Please note that AndCo has no non-discretionary regulatory assets under management. All its non-discretionary assets are assets under advisement as further explained below.*

***Assets under advisement represent our Pension Consulting assets, for which we have neither discretionary authority nor responsibility for arranging or effecting the purchase or sale of recommendations provided to and accepted by the ultimate client. We simply provide recommendations. Inclusion of these assets will make our total assets number different from regulatory assets under management disclosed in Item 5.F of Adviser's Form ADV Part 1A due to specific calculation instructions for Regulatory Assets Under Management.*

ITEM 5 - FEES & COMPENSATION

We are not affiliated with any investment manager, insurance company, brokerage firm, custodian, administrator, or other 3rd party service provider. We do not engage in any soft-dollar fee arrangements or other revenue generating programs. 100% of our fee is generated from the annual retainer advisory fee the client pays directly to us for our services. These fees are hard-dollar only and may be fixed or variable. Invoices are sent directly to the client or their designated representative and payment is rendered to us.

This singular “fee for services” model has allowed us to help mitigate potential conflicts of interest regarding our recommendations. As a result, this model gives clients the confidence and trust that our sole focus is on providing the highest level of independent and objective investment consulting possible.

Our hard dollar fees vary depending on the complexity of the engagement. Fees are negotiated directly with clients prior to entering into each new engagement. We do not have a minimum plan size that we will accept, nor do we have a minimum stated fee. All fees are fully disclosed and negotiated with the client in advance. Most clients’ fees are billed quarterly in arrears, however some are billed for services quarterly in advance. In these instances, any unearned fee would be returned to the client in the event the relationship was terminated. Some clients request to have their fees deducted from their accounts, which we honor on an exception basis. While some clients elect to base our fee on a stated percentage of assets under advisement, under no circumstances are our fees based on participating in a share of capital gains or appreciation of funds beyond the stated percentage of assets. Clients can terminate our advisory services at any time upon written notice.

Any other fees incurred to manage or custody client assets are the result of, and are billed by, other service providers under their separate agreements directly with the client. Such fees could include investment manager fees, brokerage fees and custody fees, among others, and should all be disclosed under those separate agreements.

All fees paid to us for investment consulting and advisory services are separate from the fees and expenses charged to shareholders of mutual fund shares by the mutual funds. A complete explanation of these expenses charged by the mutual funds is contained in each mutual fund’s prospectus. Also, all fees paid to us for consulting and advisory services are separate from the fees and expenses which may be charged by other third-party investment managers, custodian fees and other service providers. In addition, we do not trade clients’ accounts and therefore receive no brokerage or other transaction fees (see Item 12).

For clients deemed not to be “qualified purchasers” as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, our fees generally range from \$5,000 to \$40,000 annually depending on the size and complexity of the client.



ITEM 6 - PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

We do not charge fees based on participating in a share of capital gains or the capital appreciation of client assets under advisement.

ITEM 7 - TYPES OF CLIENTS

AndCo provides investment consulting services for defined benefit, defined contribution, deferred compensation, non-qualified, other post-employment benefits (OPEB) and voluntary employee beneficiary association (VEBA) benefit plans as well as endowments, operating funds/portfolios and foundations. The table below lists our types of clients by assets:

Plan Type	Approx. Assets in Billions (12/31/2020)
Public	\$75.8
Taft-Hartley	\$15.6
Corporate	\$16.3
Other	\$1.4
Endowment & Foundation	\$3.3
Total	\$112.4

As stated in “**Item 5 – Fees & Compensation**,” we do not have minimum plan size requirements, nor a stated minimum fee for establishing a new client relationship for investment consulting services.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

The focus of our strategic asset allocation is the development of “collective manager intelligence” by our research team leading to manager recommendations that aim to be consistent and repeatable. Our dedicated research team’s sole responsibility is to conduct due diligence on current and prospective management strategies that can be utilized by clients in accordance with their Investment Policy Statement.

The open and ongoing manager due diligence process, which includes both qualitative and quantitative aspects, is focused on identifying managers and strategies that we believe maintain a sustainable competitive advantage relative to their peers.

Risk Control

Risk control is central to consulting, manager evaluation, and performance measurement processes. We believe that standard deviation represents only one area of investment risk and that quantitative factors often play a too dominant role in assessing a manager’s risk. In addition to assessing quantitative risk measurements, we consider operational procedures, regulatory history, compliance procedures, style consistency, manager experience, and many other qualitative factors.

Philosophy on Risk

- Risk extends beyond systematic market risk (standard deviation of index returns).
- Other types of risk such as manager risk, litigation risk, liquidity risk, interest rate risk, headline risk, political risk and default risk must be recognized and mitigated.
- Risk mitigation is essential to each of our services: investment policy development, asset allocation development, manager research, and performance analysis.
- The client must understand both qualitative and quantitative risk factors.
- Risk Management at the Total Portfolio Level

The number one factor driving the risk of an investment portfolio is arguably the asset allocation decision. Thus, we believe it is extremely important to educate our clients on the importance of asset allocation in order to assist them in making informed and sound decisions. In addition to education we use a combination of mean variance and stochastic modeling tools to help clients understand the risks that might exist with different asset allocation structures. The goal is to build a portfolio with a diversified mix of asset classes that are not highly correlated with each other.

When the desired asset allocation structure has been determined, we then generally define the target allocation structure in the client’s investment policy statement. Risk at the total portfolio level is managed by keeping the client’s asset allocation structure in compliance with its investment policy statement. We assist the client in staying compliant using our various monitoring, analytical, and reporting tools.

Risk Management at the Individual Manager Level

The individual managers employed by a client are the building blocks of the investment program, and they must fit within the client’s asset allocation structure as determined above. To further mitigate risk, we believe it is essential to build a roster of managers that are also not highly correlated with each other within an asset class. As such, it is important to fully understand the factors driving a manager’s performance and risk profile. To gain such an understanding of each manager, we evaluate many financial and risk characteristics, including, but not limited to, the following:



- MPT statistics: Alpha, Batting Average, Beta, Correlation Coefficient, Downside/Upside Market Capture Ratio, Down/Up Market Return, Downside Risk, Information Ratio, Max Drawdown, Number of Negative/Positive Periods, R-Squared, Sharpe Ratio, Sortino Ratio, Standard Deviation, Treynor Ratio, Tracking Error, etc.
- Portfolio Characteristics: Price/Earnings Ratio, Price/Book Ratio, Price/Cash Flow Ratio, Dividend Yield, Earnings Growth Rate, etc.
- Portfolio turnover
- Portfolio concentration/number of holdings
- Sector/country allocations
- Holdings and returns-based style analysis
- Holdings-based attribution

Our evaluation and assessment process is continuous. This allows us to detect risk at the manager level and to judge if such risks are appropriate within the client's portfolio structure.

Other Risks

Our clients should be aware that there are numerous other risk factors related to the market in general associated with implementing investment strategies. Such risks can affect actual results and have a risk of loss that clients should be prepared to bear and should carefully consider before investing in any strategy. There are also additional risks that our clients should be aware of, including but not limited to: pandemics, technology, cybersecurity and legal and regulatory matters, as further described below.

Pandemic Risks: The recent outbreak of the novel coronavirus rapidly became a pandemic, resulting in disruptions to the economies of many nations, individual companies, and the markets in general, the long-term impact of which cannot necessarily be foreseen at the present time. Health crises caused by the recent coronavirus outbreak or future infectious diseases may exacerbate other pre-existing political, social, and economic risks in certain countries. This pandemic and other epidemics and pandemics that may arise in the future could result in volatility in the financial markets and could have a negative impact on investment performance.

Legal and Regulatory Risks: Legal developments, such as changes and other developments concerning foreign, US federal, state and local laws and regulations as well as changes in enforcement or interpretation of existing laws and regulations by governmental regulatory authorities and self-regulatory organizations, can occur at any time and may adversely impact investing and investment-related activities.

Technology and System Risks: AndCo's day to day operations rely on multiple forms of technology, many of which are provided by third parties and are therefore beyond our direct control. System failures across various technologies could occur due to natural disasters, power interruptions and other events. We seek to mitigate these risks and reduce the impact a system failure may have by backing up technology where possible, periodically evaluating our disaster recovery systems, and by conducting testing. However, we cannot guarantee that disruptions or other issues may not still occur, and should such a material event take place, the firm would promptly assess and seek to remediate.

Cybersecurity Risk: Client portfolios and information are susceptible to operational and information security risks due to broad reliance on web-based technology and the internet. In general, cyber incidents can result from deliberate attacks or unintentional events and include, but are not limited to, infection by computer viruses or other malicious software code, gaining unauthorized access to systems, networks, or devices through "hacking" or other means for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. While AndCo has established a business



continuity plan and risk management systems designed to help prevent and reduce such incidents, inherent limitations and everchanging technology and cyberattack tactics nonetheless present risks (e.g., financial losses, hindrance on business operations, or legal/regulatory implications).

ITEM 9 - DISCIPLINARY INFORMATION

AndCo Consulting has no legal or disciplinary information to report.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

We are a fee for service registered investment advisor. None of our supervised persons who hold investment advisory licenses are affiliated with any broker/dealer or insurance company and thus are not able to generate and be paid commissions. The licenses are only held as required by regulatory authorities to be able to advise clients within those states where the licenses are required.

As part of our services provided to clients, we recommend other registered investment advisors to clients. However, AndCo is never compensated in any form by the recommended investment advisors or any 3rd party for those recommendations.

ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING

Code of Ethics

AndCo has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes, among many things, provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All supervised persons at AndCo must sign and promise to abide by the terms of the Code of Ethics annually, or as amended.

The Code of Ethics is designed to help ensure that the personal securities transactions, activities and interests of the employees of AndCo will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of AndCo's clients. In addition, the Code requires pre-clearance of certain transactions.

Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might gain a personal financial benefit from the market activity surrounding a client's investment activities with regard to said securities. To that end, employee trading is monitored under the Code of Ethics to help minimize the potential for conflicts of interest between AndCo and its clients. AndCo's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting the Compliance Department at compliance@andcoconsulting.com.

Charitable Contributions

From time to time, AndCo donates to charitable organizations that are affiliated with clients, are supported by clients, and/or are supported by an individual employed by one of our clients. In general, such donations are made in response to requests from clients or their personnel. Because our contributions could possibly result in the recommendation of AndCo or its services, such contributions may raise a potential conflict of interest. As a result, we maintain procedures that limit the dollar amount and frequency of charitable contributions and require that all contributions are tracked and made directly to the charitable organization (normally a 501(c)(3) organization). No contribution will be made if the contribution implies that continued or future business with AndCo depends on making such contribution.

ITEM 12 - BROKERAGE PRACTICES

We do not maintain a custodial, or any other relationship with any licensed broker-dealer because we do not execute trades on publicly traded individual securities. Any purchases or redemptions we direct on behalf of a client are executed by the client's independent custodian.

However, from time to time, we are asked to recommend custodial options for our clients. If there is a need for custody services, and depending on the circumstances and needs, we may recommend several custodians, provided such custodians can meet their fiduciary obligation of best execution. Factors we consider when making any recommendations may include, but are not limited to: the custodian's ability



to provide professional services, our experience with the firm(s), their reputation, and the firms' quality of execution services and costs for such services, among other factors. We do not consider whether we or a related person receive client referrals, nor do we have any soft dollar relationships as we do not execute individual securities trades and receive no direct services from any custodian we may recommend. Clients are under no obligation to accept any of our recommendations and are free to select any custodian they may choose.

ITEM 13 - REVIEW OF ACCOUNTS

Performance Reports

On a periodic basis, we will provide clients with a performance evaluation of the investment(s) (hereinafter called the Performance Report). The Performance Report reviews the performance of the clients' assets, expressed by various modern portfolio statistics that compare the performance of the investment managers to the guidelines called for by the Investment Policy Statement. The Performance Report provides historical and comparative information and is not to be relied upon as a forecast or predictor of future performance returns. Performance Reports are reviewed with the client by the Consultant who works with that Client on all matters pertaining to the relationship.

From time to time, client circumstances, securities market movements, or other external events may necessitate a review of a client's portfolio outside of a normal review cycle. In such cases the Consultant will work closely with the client to ensure that all questions and concerns are addressed and make any appropriate recommendations for client action.

Investment Manager Reports

For most of our clients, we will review the fund's investment managers on at least a quarterly basis with respect to their overall performance in achieving the desired objectives of the Investment Policy Statement. For all clients, we provide support based on the specific needs of each client.

The review is directed to whether the investment manager's performance and discipline is consistent with the intent and objectives of the Investment Policy Statement. We will provide information to facilitate comparisons of the investment manager's overall performance benchmarks described in the plan's Investment Policy Statement.

The client is responsible for reviewing and understanding the information and analysis we provide and assessing the adequacy of any particular investment manager's overall performance. We will assist the client in fulfilling this responsibility.

ITEM 14 - CLIENT REFERRALS & OTHER COMPENSATION

We do not receive any economic benefit from an independent party for our investment consulting services. In addition, we do not compensate persons/firms for client referrals.



ITEM 15 - CUSTODY

We do not take possession of or maintain custody of any funds or securities, but simply monitor the holdings within the portfolio. Possession and custody of the funds and/or securities is maintained by an independent custodian selected by the client.

ITEM 16 - INVESTMENT DISCRETION

Most of our services under ERISA are provided as a 3(21)-limited scope fiduciary. Under this arrangement we are a fiduciary to the plan but do not have discretionary authority to make investment selections or replace investment options within the plan. We provide extensive investment tools to the trustees and/or administrators of the plan to guide them in their duty to implement, maintain, administer and provide fiduciary oversight of their investment programs.

We do, however, take on the role of a discretionary fiduciary for some clients. In these instances, we do not execute any trades for publicly traded securities. Mutual fund trades are executed by the client's independent custodian. If a separately managed account is employed, the investment discretion and securities trading for that portfolio is further delegated to an investment manager vetted by our Research Group and Investment Policy Committee.

ITEM 17 - VOTING CLIENT SECURITIES

Proxy voting for any separately managed account is delegated to the investment manager retained by the client at our direction. We do not vote proxies of any kind for non-discretionary clients.

However, occasionally, AndCo is hired as a discretionary advisor. Under these circumstances and within this capacity as a discretionary advisor, it is the policy of AndCo to vote all proxies over which it has voting authority solely in the interests of the client and with the goal of maximizing the value of the client's investments. AndCo will not, however, take responsibility for voting proxies on securities or investments that AndCo does not have discretionary authority over in the client's portfolio. AndCo will also not take responsibility for voting proxies for securities or investments purchased and held by investment managers that AndCo did not recommend. These proxies will be voted by the manager according to their proxy voting guidelines or guidelines designated by the client and agreed to by the manager.

As an investment advisor representing an ongoing client investment shareholder, AndCo will generally vote for recommended proxy proposals unless it is judged the proposal is not in the best interest of ongoing client shareholders. AndCo will not take responsibility to vote proxies according to a specific set of published organizational guidelines. If a client desires to have their proxies voted according to a specific set of non-AndCo guidelines, the client must take responsibility to vote proxies or retain a third-party proxy voting service to assume this responsibility.

All proxies are reviewed and voted by AndCo according to the firm's Discretionary Services Proxy Voting Policy. Absent special circumstances, this policy generally covers proxy proposals for matters of routine business, reorganization, reincorporation, compensation, matters related to the board of directors, shareholder rights and other matters found in proxy proposals.



AndCo believes that it is unlikely serious conflicts of interest will arise in the context of AndCo's proxy voting because AndCo does not engage in investment banking or the management of public companies. However, AndCo is sensitive to conflicts of interest that may nevertheless arise in the proxy decision-making process. In those instances when a proxy vote involves a potential for a conflict of interest, the firm may resolve the conflict in any of following ways: (1) contacting the client and voting pursuant to their direction; (2) abstaining; (3) voting according to the Proxy Policy Guidelines; or (4) following the vote recommendation of an independent fiduciary appointed for that purpose.

Clients wishing to review AndCo's Discretionary Services Proxy Voting Policy may receive a copy upon request by email at compliance@andcoconsulting.com. Furthermore, clients with a particular interest in reviewing the firm's proxy voting records for their account may also do so upon request.

ITEM 18 - FINANCIAL INFORMATION

We are not required to include financial information in our Disclosure Brochure since we will not take custody of client funds or securities or bill client accounts six (6) months or more in advance for more than \$1,200.

However, in order to help navigate the economic uncertainty surrounding the COVID-19 pandemic, AndCo applied for and received funding under the Paycheck Protection Program established by the U.S. Small Business Administration. It is important to note that the circumstances leading us to seek this loan included the uncertainty of the pandemic, its duration and the associated market volatility. Accordingly, we sought the loan to ensure that we had the means necessary to support our ongoing operations by maintaining all employees and continuing to selectively hire in certain departments within the firm to continue servicing our clients during these dynamic times.

We are presently able to meet all of our financial obligations, including contractual commitments to clients. Likewise, we continue to effectively service our client relationships. While not anticipated, should our financial condition change, we will notify clients accordingly.

END OF DISCLOSURE BROCHURE



ANDCO
531 WEST MORSE BLVD, SUITE 200 WINTER PARK, FL 32789
TEL: 844.442.6326 FAX: 863.292.8717
WWW.ANDCOCONSULTING.COM
BRANCH LOCATION
5470 KIETZKE LANE, SUITE 300, OFFICE 304 RENO, NV 89511

This brochure supplement provides information about Annette Bidart that supplements AndCo's brochure. You should have received a copy of that brochure. Please contact the Compliance Department at 844.442.6326, or compliance@andcoconsulting.com, if you did not receive the brochure or if you have questions about the contents of this supplement. Additional information is available on the SEC's website at <https://adviserinfo.sec.gov/>.

ANNETTE BIDART

CRD# 2360714 Year of Birth: 1962

ITEM 2 EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Education

1985 – University of Nevada, Reno, BA in Political Science and Spanish

Business Background (Past five years)

01/2017 – Present AndCo Consulting, LLC
Consultant

12/1988 – 12/2016 Bidart & Ross, Inc.
Principal

ITEM 3 DISCIPLINARY INFORMATION

There are no legal or disciplinary events to report.

ITEM 4 OTHER BUSINESS ACTIVITIES

Ms. Bidart is not involved in any other business activities.

ITEM 5 ADDITIONAL COMPENSATION

Ms. Bidart does not receive any economic benefit from anyone who is not a client for providing advisory services.

ITEM 6 SUPERVISION

In the conduct of her advisory activities, Ms. Bidart reports directly to Dan Johnson, Consulting Director, and must also adhere to the policy directives of the firm's Investment Policy Committee. Sara Searle, Chief Compliance Officer, is responsible for the oversight of our firm's investment advisory activities to help ensure that we operate in compliance with all applicable federal and state laws and regulations. She is further responsible for establishing and maintaining the firm's compliance policies, procedures and standards of ethical conduct. Ms. Searle can be contacted at the phone number and email address in the first paragraph of this supplement.



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This brochure supplement provides information about Michael Fleiner that supplements AndCo's brochure. You should have received a copy of that brochure. Please contact the Compliance Department at 844.442.6326, or compliance@andcoconsulting.com, if you did not receive the brochure or if you have questions about the contents of this supplement. Additional information is available on the SEC's website at <https://adviserinfo.sec.gov/>.

MICHAEL FLEINER

CRD# 2360714 Year of Birth: 1965

ITEM 2 EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Education

1988 – University of Nevada, Reno, BS in Finance

Business Background (Past five years)

01/2017 – Present AndCo Consulting, LLC
Consultant

01/1992 – 01/2017 Bidart & Ross, Inc.
Principal

ITEM 3 DISCIPLINARY INFORMATION

There are no legal or disciplinary events to report.

ITEM 4 OTHER BUSINESS ACTIVITIES

Mr. Fleiner is not involved in any other business activities.

ITEM 5 ADDITIONAL COMPENSATION

Mr. Fleiner does not receive any economic benefit from anyone who is not a client for providing advisory services.

ITEM 6 SUPERVISION

In the conduct of his advisory activities, Mr. Fleiner reports directly to Dan Johnson, Consulting Director, and must also adhere to the policy directives of the firm's Investment Policy Committee. Sara Searle, Chief Compliance Officer, is responsible for the oversight of our firm's investment advisory activities to help ensure that we operate in compliance with all applicable federal and state laws and regulations. She is further responsible for establishing and maintaining the firm's compliance policies, procedures and standards of ethical conduct. Ms. Searle can be contacted at the phone number and email address in the first paragraph of this supplement.



Organizational Chart



PARTNERSHIP

Mike Welker, CFA®
Bryan Bakardjiev, CFA®
Dan Johnson
Dan Osika, CFA®
Donna Sullivan
Evan Scussel, CFA®, CAIA®

Jacob Peacock, CPFA
Jason Purdy
Kim Spurlin, CPA
Steve Gordon
Troy Brown, CFA®

LEADERSHIP & MANAGEMENT

Mike Welker, CFA®
CEO

Bryan Bakardjiev, CFA®
COO

Kim Spurlin, CPA
CFO

Sara Searle
CCO

Rachel Brignoni, MHR
CHRO

Steve Gordon
Partner

Troy Brown, CFA®
Executive Director

Brooke Wilson, CIPM®
Client Solutions Director

Dan Johnson
Consulting Director

Daniel Kwasny, CIPM®
Client Solutions Director

Evan Scussel, CFA®, CAIA®
Research Director

Jack Evatt
Consulting Director

Jacob Peacock, CPFA
Consulting Director

Jason Purdy
I.T. Director

Molly Halcom
Marketing Director

Philip Schmitt
Research Director

INVESTMENT POLICY COMMITTEE

Mike Welker, CFA®
Bryan Bakardjiev, CFA®
Troy Brown, CFA®
Sara Searle

CONSULTING

Andy Kiehl
Annette Bidart
Brad Hess, CFA®, CPFA
Brendon Vavrica, CFP®
Brian Green
Chris Kuhn, CFA®, CAIA®
Christiaan Brokaw, CFA®
Dave West, CFA®
Doug Anderson
Gwelda Swilley
Ian Jones
James Ross
Jeff Kuchta, CFA®

Jennifer Brozstek
Jennifer Gainfort, CFA®, CPFA
John McCann, CIMA®
John Mellinger
John Thinnies, CFA®, CAIA®
Jon Breth, CFP®
Justin Lauver, Esq.
Kerry Richardville, CFA®
Mary Nye
Michael Fleiner
Michael Holycross, CIMA®
Mike Bostler

Oleg Sydyak, CFA®, FSA, EA
Paul Murray, CPFA
Peter Brown
Rich Robben, CFA®
Tim Nash
Tim Walters
Tony Kay
Trevor Jackson
Tyler Grumbles, CFA®, CIPM®, CAIA®

CLIENT SOLUTIONS

Donna Sullivan
Albert Sauerland
Amy Foster
David Gough, CPFA
Donnell Lehrner, CPFA

Grace Niebrzydowski
Jeff Pruniski
Joe Carter, CPFA
Junyan Peng, CFA®
Kim Hummel

Meghan Haines
Misha Bell
Yoon Lee-Choi

OPERATIONS

FINANCE
Brandie Rivera
Kahjeelia Pope

COMPLIANCE
Thay Arroyo

H.R.
Sara Schmedinghoff

I.T.
Jamie Utt

OPERATIONS
Jerry Camel

MARKETING
Dan Osika, CFA®
John Rodak, CIPM®
Kayleigh Greaser
Kim Goodearl
Lauren Kaufmann
Ravenel Rudd

RESEARCH

Austin Brewer, CFA®, CAIA®
Public Fixed Income

Ben Baldridge, CFA®, CAIA®
Private & Hedged Fixed Income

Dan Lomelino, CFA®
Fixed Income

David Julier
Real Estate & Real Assets

Elizabeth Wolfe
Capital Markets & Asset Allocation

Evan Scussel, CFA®, CAIA®
Private & Public Equity

Jeremy Fisch
Public Multi Assets & Fixed Income

Joseph Ivaszuk
Operational Due Diligence

Josue Christiansen, CIPM®
Public Equity

Julie Baker, CFA®, CAIA®
Private & Hedged Equity

Justin Ellsesser, CFA®, CAIA®
Private Equity

Kevin Laake, CFA®, CAIA®
Private Equity

Michael Kosoff
Hedge Funds

Philip Schmitt
Fixed Income & Capital Markets

Zac Chichinski, CFA®, CIPM®
Public Equity



88
EMPLOYEES

38 ADVANCED
DEGREES

24 CFA®

9 CAIA®

7 CPFA

6 CIPM®

TCERA INVESTMENT CONSULTANT RFP RESPONSE SUMMARY				
RFP SECTION	AND CO	Meketa	NEPC	VERUS
Mandatory Requirements	Yes	Yes	Yes	Yes
Insurance Requirements	Exception Requested	Yes	Yes	Yes
A. Organization				
History	Est 2000, 100% Employee Owned	Est 1974, Incorporated 1978, owned by senior professionals	LLC Est 1986, 100% employee owned, 44 partners	Subchapter S Corporation - Est 1986, employee owned
Org Chart	Provided	Provided	Provided	Provided
Lines of Business/Revenue	100% Institutional Investment Advisory Services	100% Institutional Investment Advisory Services	100% Advisory and discretionary investment consulting.	100% investment consulting - 85% non-discretionary, 15% discretionary (OCIO)
Client/Consultant Ratio	Varies depending on experience, portfolio, complexity, meetings, and travel - range from 1- to 30. Bidart = 15, Fleiner = 20.	3-8 average	5:1	Average is 6:1 but varies based on complexity of clients. Scott Whalen is responsible for 5 clients.
Location/Staff	Orlando FL - multiple state satellites	Boston MA - multiple state satellites	Boston, MA - multiples state satellites	Seattle, WA with multiple satellite offices
Address/Team Members	Annette Bidart and Mike Fleiner are located in Reno NV office	David Sancewich (Portland), Eric White (Sacramento/San Diego), Paola Nealon (Portland)	Dan Hennessy - Redwood City CA	Scott Whalen - Los Angeles, CA
Team Experience	Bidart - 4 with AndCo, 34 ttl yrs exp Fleiner - 4 with AndCo, 28 ttl yrs exp	Primary David Sancewich - 16 with Meketa, 20 total, team -2	Dan Hennessy - 9 years consulting/20 years investing, 6 years with firm, Don Stracke - 20 years consulting/35 years investing, 11 with firm	Scott Whalen - 19 years exp and with Verus, Mike Kammell - 10 years exp and with Verus, Jeff MacLean - 32 years exp with 28 at Verus.
Financial Condition	Profitable with debt levels within industry standards	Annual revenue increased in 19 of last 20 yrs	Profitable with increasing revenue for 34 years, no significant debt	Well capitalized, little debt, measured growth
SEC Registration Status	Registered Investment Adviser	Registered Investment Adviser	Registered Investment Advisor	Registered Investment Advisor
Regulatory Censures	None	None	None	None
Regulatory Investigations	None	Various 2002/2003, 2012/2013, 2016	SEC and DOL routine audits	None
Litigation	None	2020 Class Action - fiduciary duty	Will only disclose what is in ADV	None
Fiduciary Status	Accepted	Accepted	Accepted	Accepted
Code of Ethics	CFA Code of Ethics + internal guidelines	CFA Code of Ethics + internal guidelines	CFA Code of Ethics + internal guidelines	CFA Code of Ethics + Verus Code of Ethics and Policies and Procedures Manual

Insurance Coverage	\$15M Professional Liability, \$2M General Liability, \$5M Cyber, \$1M Fidelity, \$1M WC, \$4M Umbrella, \$1M Auto	\$20M E&O, \$25M ERISA, \$5M Liability, \$3M Cyber	\$25M E&O, \$10M Umbrella, \$5M Cyber + others	\$10M E&O, \$10M D&O, \$2M Cyber + others
Business Objectives				
Asset Limits	None - will seek strategic acquisitions and hires	None	None - growth at controlled pace	None - leadership manages workload
Client Cap	None	None	None but turn down business if not staffed to service	None - leadership manages workload
Max assets/clients per consultant	None - ratios dependent on consultant capacity ratio	None	Generally 5:1	Average 6:1
Expected firm changes	Strategic Growth	Strategic Growth	Remain independent - mergers or acquisitions expected.	No current plans for mergers or acquisitions
Staff Turnover	Additions: 1-2018, 1-2019, 3-2020 Departures: 2-2018 (retirement), 3-2019 (1 job opportunity, 1 personal reasons, 1 retirement), 1=2020 (retirement), 1=2021 (job opportunity)	Additions: 16-2019, 2-2020, Departures: 1-2018 (job opportunity), 5-2019 (job opportunity), 2-2020 (job opportunity)	Additions: 5-2018, 3-2019, 3-2020 Departures: 8-2018, 3-2019 (1 retirement), 7-2020	Additions: 2-2018, 2-2019, 4-2020 Departures: 2017-1 (other opportunity), 2018 (relocated), 2019-2 (1 retired, 1 left industry), 2020-3 (2 retired, 1 personal reasons)
Compensation/Incentives	Base salary + bonus tied to job responsibilities and overall firm success, equity eligibility at 5 yrs	Base salary + incentives and profit sharing, senior staff equity	Salary + Benefits and Profit Sharing - tied to employee performance and success of the firm. Senior employees participate in equity program.	Base Salary + performance bonus tied to client servicing and business plan. Equity ownership provides retention incentive (1/3 of personnel are equity owners)
Hard/Soft Dollar Compensation Sources	Client investment fees only.	Client investment fees only.	No soft dollar arrangements - 100% client fees.	100% client fees
Client use of firm related providers	None	none	Consulting Services to two firms whose parent or subsidiary organizations are in the financial services industry. Research on external investment managers provided to one firm. Total less than 1% of revenue.	None
Disaster Recovery Plan	Provided	Provided	Provided	Provided

B. Assets Advised

Clients/AUM	690 clients, \$96 billion AUM	216 Retainer Clients, \$1.5 trillion/72 Discretionary clients, \$39.5 billion		160 Clients - 145 Non-Discretionary (\$434 billion AUM), 15 Discretionary (\$4 billion AUM)
Client List	Provided	Provided	Unable to provide full list - representative list provided.	Provided public fund client list, others are confidential
Turnover	Won/Lost List Provided	Won/Lost List Provided	Won/Lost List Provided	Won/Lost List Provided

	El Paso Firemen and Policemen's Pension Fund, Oklahoma Firefighters Pension & Retirement System, Prince George's County Pension Plans	San Joaquin County ERA, Oakland Police and Fire, East Bay Municipal	StanCERA, City and County of S.F., Santa Clara Valley Trans Auth	San Luis Obispo County, Contra Costa County, Fresno County
References				

C. Philosophy and Process

Philosophy	Structuring, maintaining, and updating portfolios that aim to help provide our clients the greatest probability of achieving their unique goals and objectives. - Three main components: strategic asset allocation, opportunistic asset allocation, active & passive management.	Long-term approach. Asset allocation is largest determinant of a fund's performance. Diversify broadly to protect against a wide variety of risks. Approach new investment strategies or fads with skepticism. Succeed with careful planning, attention to detail, using the best people, moderating risks, and minimizing fees and expenses.	Client-focused approach.	Return objectives, tolerance for risk and the strategic mission of the enterprise guide decision-making and drive strategic asset allocation. Good results achieved by managing uncertainty using risk mgt and investment toolkit combined with discipline of humility. Analyze risk-free rates and risk premia. Simplicity is preferable - complexity evaluated. Manage fees and costs.
Strengths/Advantages	Reinvestment of profits, customization, independence, passion	Independent, Objective Advisors, Public Fund Exp, Client Success, Investment Thought Leaders, Customized Investment Solutions, Intensive Client Service, Risk-focused approach to asset allocation, robust manager research	Independent, Research-Driven, Forward-Looking, Creative, Focused	Pure consulting focus, extensive public fund experience, dedicated resources for Alternative Investment research, research focus, boutique-sized firm, risk focus.
Experience	Experience assessing and understanding portfolio's investment objectives, risk tolerance and liquidity requirements.	Comprehensive Reviews of each new client	Familiar with existing managers	34-year history of consulting for state and county level plans.
Methodology - Asset Allocation, A/L Reviews/Managers				
Theory and Methodology	Determine Assumptions, Computer Modeling, Qualitative Overlay, Report Formulation, Policy Update	Quantitative and Qualitative, Risk-Return construction - return, volatility, correlation	Investment Policy is cornerstone of the investment program, in-depth annual research review.	Stochastic modeling, risk budgeting, scenario analysis, stress testing, risk decomposition to determine optimal solution while considering client's risk tolerance, investment objectives, and anticipated spending and cash inflows.
Capital Markets Model	JP Morgan Long-Term Capital Market Assumptions	Proprietary model	Internally generated, 10-year and 30-year forecast	Strategic Research Group develops proprietary 10 and 30 year capital markets assumptions.
Model Inputs	Asset Classes based on asset allocation study	Standard inputs unless customized classes	Expected returns (economic growth, inflation, yield, valuation, etc.), risk and correlation assumptions.	Building block approach based on academic and practitioner research and historical behavior of markets. May be customized based on client guidelines.
Current Model	Provided	Provided	Provided	Provided

Frequency of Review	Each client meeting - Formal review annually	Formal analysis annually, review quarterly	Formal annual review	Asset allocation - annual, Asset/Liability Study - every 3-5 years.
Samples	Provided	Provided	Provided	Provided
5-year History of Capital Markets Assumptions	Provided	Provided	Provided only current information	Provided
Development of Target Allocation/Sample	No default strategy - completely customized. Current asset class ranges provided	Start with current allocation policy. Evaluate, Constrained MVO, risk, expected performance, liquidity needs, communication with client	Review strategic asset allocation every 3-5 years (annually if necessary for private market implementation. Tailored to client's circumstances - well diversified portfolios with less reliance on public equity allocations. Would expect a recommended increase in private markets for TCERA's portfolio plus allocation to infrastructure.	No model portfolio. Recommendations are customized for each client based on investment background of staff and trustees, objectives of plan, time horizon, philosophy, risk tolerance, and governance. Sample allocations provided.
View on Tactical/Dynamic Asset Allocation	Opportunistic - limited-term (12-36 months) as allowed by adopted investment policy, Dynamic - consider it market timing an do not recommend it.	Tactical asset allocation may be implemented on a stand alone basis by TAA manager during volatile markets.	Focus on long-term but will support tactical and opportunistic approaches.	Tactical allocation (near-term) is difficult/risky. "Stratical" tilts may be recommended as opportunities arise.
Alternative Investment Mgr Experience	Since firm's inception in 2000. 50% of the Research Department is responsible for alternative and private investment research	Since 1999 - 39 staff	26 years of experience - 812 searches in last three years. Alternative Asset Committee	Dedicated resources for alternative investment consulting. Provided list of staff experience/education.
Implementation of Alternatives	<u>Customized - 5%-15% for each general alternative class.</u>	<u>For TCERA - combination of fund of funds and direct investments, minimum 5% to each selected asset class, possible max at 6-7% until fund grows.</u>	<u>Did not address implementation question - discussed research capabilities</u>	<u>No specific percentages. Noted that as TCERA grows, a greater range of options exist for implementation. Direct investment should be employed when feasible (depends on plan size). Discretionary option is available if in-house staff is limited (like TCERA).</u>
Leverage	Only as implemented by alternative investment managers	Evaluates leverage use by each manager	Leverage implemented with individual managers. Leverage implemented in risk parity approach using third party.	There will be implicit leverage embedded in alternatives portfolios which is appropriate for the asset class. Explicit leverage (total fund level) may be used in highly specialized cases and include Portable Alpha and Risk Parity.
Rebalancing Approach	As dictated by investment policy - clear structure that allows some flexibility	Use cash flows first and rebalance only as necessary - frequent rebalancing incurs transaction costs.	Strategic (staying withing target allocation ranges) and Tactical (response to exceptional market developments) rebalancing	Recommend a clearly defined rebalancing policy to eliminate behavioral bias.
Active/Passive Investment View	Customized - "Core/Satellite" approach, passive management weighted in efficient asset classes.	Use of passive management in efficient asset classes, active management may add significant value in other asset classes - active and passive management can co-exist.	Healthy balance of active and passive. Active is most successful in global equity, EM equity, hedge funds and private markets.	Combination of active and passive management - passive recommended for efficient areas (e.g. large cap US equities). .

Recent Recommendations due to Market Conditions	No examples provided - Opportunistic investments may be recommended	Low rate environment requires careful risk analysis to determine how to meet objectives. Consider barbell approach, emphasizing higher risk assets along with risk mitigating strategies (RMS). Defensive position due to high valuations.	Recommended increase in equity and credit to take advantage of expected return differentials over Treasuries. As volatility increased, recommended safe haven investments and liquidity.	Short-term - First quarter of 2020 was a "risk off" environment. Second quarter monetary and fiscal stimulus resulted in a "risk on" environment. Looking at reducing core real estate investments due to lagging valuations in favor of opportunistic funds.
	Compliance Risk, Manager Risk, Operational Risk, Liquidity Risk. Public Pension concerns: funding status volatility, liquidity, leverage, volatility	Multiple risk factors: volatility, permanent impairment of capital, failure to meet return targets, underperforming peers - each client is unique. Public fund risks: Publicity, funding/regulation, investment return, interest rates, state budget, governance/conflicts of interest.	Begins with "what can go wrong?" Use risk budgeting analyzing each the contribution of each asset class to overall risk. Manage liquidity.	Risk factor evaluation - equity risk, interest rate risk, credit risk, inflation risk, and currency risk. Attribute anticipated volatility, active risk, value at risk, and scenario profit and loss. Take into account liquidity requirements , scenario analysis and stress testing, downside risk protections strategies and risk budgeting.
Risk Assessment				
Consulting Firm's Performance Evaluation	Benchmark and peer comparison performance. Character based factors: trust, integrity, conviction, respect, performance and retention	Investment performance, level of diligence, quality of service.	Success in primary objectives - 1. earn higher returns 2. stabilize those returns.	Quantitative - attainment of Plan's enterprise objectives (return, risk, funded status, and contribution volatility). Somewhat difficult to analyze because not all recommendations are implemented by a client. Qualitative - level of trust, strength of relationship, clear communication, timely deliver of information, responsiveness, quality of education provided, knowledge of plan details, knowledge of markets and market dynamics.
Manager Fees - Performance/Asset Based	Not a fee reduction approach. Valuable opportunity to align client and manager interests and encourages patience during short-term manager underperformance.	Each manager relationship evaluated to determine appropriate structure.	Performance based fees are not intended to boost performance but may serve the interests of the program in some cases. May also negotiate special fee arrangements based on combined invested assets of all NEPC clients.	Manager fees should not only be minimized but should be justified. Performance-based fees work well when the break-even is more favorable than the flat fee. MFN clauses are difficult to negotiate into and agreement and difficult to monitor. Customized fee solutions are more beneficial.
D. Manager Measurement and Evaluation				
Monitoring and Analysis Process	Quarterly compliance questionnaires, category reviews, Investment Policy Committee scorecard. Consultant communicates with client re:managers. Use multiple databases.	Performance monitoring, statutory and regulations compliance, manager guideline compliance. Quarterly questionnaires, monthly data gathering, custom portfolio benchmarks and manager level benchmarking (market, style, peer group)	Manager research and search process, performance and portfolio characteristics review monthly, Investment Performance Analysis (IPA) quarterly, ongoing due diligence.	Primary performance measurement tool is Investment Metrics. Performance analysis is provided to the client in the quarterly investment performance report that provides manager benchmarking and customized information. Typical metrics were provided.

		Comprehensive initial fund review - examination of investment policy, asset allocation policy, asset allocation structure, actuarial reports, interviews with managers, review guidelines and fees, and assessment of custody relationship. Results in Initial Fund Review document (approx. 60 pages of information).	Evaluate goals and objectives in association with asset/liability study and client risk survey. Review of current managers to determine how each is contributing to the overall investment goals.	Primary steps for ongoing evaluation are the quarterly performance review, annual asset allocation review, triennial asset/liability study, periodic liquidity assessment, and periodic manager structure review. Current considerations include an increase to passively managed investments and a modest shift toward higher returning private market investments.
Analysis of TCERA's Portfolio	Part of RFP process. If hired, expand views based on client input.			
Report Customization	Investment Metrics PARis provides reporting. Customization is available.	Standard reports with some customization. Most requests for customization are included in standard fee.	Customization at no additional charge.	Customization at no additional charge.
Reporting Timelines	Flash report - 5 business days after release of custodian data. Quarterly report - 20 to 30 business days after release of data.	Monthly reports 30 days after month end, final quarterly reports 45 days after quarter end.	Monthly flash report - as early as 7 business days after month-end depending on availability of data. Quarterly reports will depend on complexity of the portfolio and availability of data.	Monthly flash reports - 15 days after month-end, quarterly and annual performance reports - 30-45 days following period end depending on complexity of portfolio.
Data Submission/Collection	Data may be collected from various sources including custodian, investment managers, and performance measurement system.	Works with Investment Metrics for performance measurement and reporting - gather from custodian and directly from managers.	Data is collected from custodian and managers. Work with Investment Metrics for analytics. eVestment provides quantitative data.	Data is collected and added to the Investment Metrics reporting platform electronically from the custodian bank. Individual managers provide data via the COLLECT platform.
Return Reconciliation	Compare results with investment managers.	Compare results from custodian, managers, and independent calculation from Investment Metrics.	Performance Analytics Team compares reconciles manager data and custodian data.	Performance Analytics Group is dedicated to data calculation, reconciliation, and performance evaluation. If a discrepancy is identified, the analyst follows up to determine the reason and request corrected information or identified as a footnote (for price source or accounting method differences).
Performance Attribution	Calculated by Investment Metrics PARis.	Attribution analysis on individual portfolio, aggregate asset classes, and the aggregate plan.	Performance attribution developed through Investment Metrics.	Performance attribution developed through Investment Metrics. Information varies depending on asset class.
Communication re Mgr Performance	Formal reports quarterly. Consultant will communicate via call, email, or meetings if issues come up between quarters.	Ongoing dialog with client - memo, phone, in-person, board meetings.	No "formula" for watch list, Due Diligence Committee advises NEPC staff regarding problems/issues. Use a Watch List that includes four categories: "Watch, Hold, Client Review, and Terminate". Did not address how this would be communicated to TCERA.	Performance and due diligence reviews provided to client through the primary consultant, typically through performance reports presented at Board and/or committee meetings. No formal watch list policy but can utilize a watch list checklist for identifying issues based on individual client considerations.

				Aware of costs associated with manager turnover and the risk of behavioral bias that will detract from long-term value. Underperforming managers receive on site reviews and a time-frame is prescribed for meeting expectations. Termination recommendations are bases on the combination of the following factors: longer-term style drift, material changes in asset turnover, rapid and material growth or loss of AUM, investment team turmoil, key portfolio manager departures, other organization issues that are precursors to future underperformance.
Termination Recommendations	No automatic triggers. Evaluate quantitative and qualitative factors.	Large-scale turnover of important personnel, failure to maintain portfolio within assigned guidelines, unexpected shift in overall strategy, significant underperformance that cannot be attributed to market forces beyond the manager's control. Quick termination of managers can be costly to the plan.	High manager turnover can affect performance. Factors contributing to a termination recommendation: 1. policy or structural changes by the client, 2. manager's lack of compliance with policy or structural changes, 3. loss of confidence in manager's ability to outperform due to loss of key investment professionals, change in investment process, or a change in the market environment.	
				Evaluate the manager performance in the context of the role the product has in a portfolio. Examination of manager's ability to implement and manage risk through different market environments, evidence that performance results are consistent with the manager's identified area of skill, clear understanding of the conditions when the product may outperform or underperform.
Review of Manager Selection/Recommendations	Monitor strategies implemented in portfolios. Compare to client objectives focusing on performance over market cycles.	Art and science, qualitative and quantitative analysis. Evaluate success through monthly and quarterly performance reports and through ongoing due diligence reviews.	Measure the success of an investment manager versus the specified goals and objectives as well as adherence to investment guidelines. Results are reviewed annually.	

E. Research

Research Department	Asset class specialists - 17 team members. 11 senior team members average over 19 years of academic and practical experience.	138 investment professionals. Director of Research chairs Strategic Asset Allocation/Risk Management Committee.	58 research professionals (18% of work force) - seven teams White papers and blogs provided in various formats	24 investment professionals (28% of personnel) dedicated to research in four areas - strategic, public markets, private markets, risk management.
Publications White Paper Sample	None - research materials are for clients. Provided	List provided Provided	Provided	List provided. Provided
Research Resources	Research materials are available on client portal. Consultant will provide research directly to client as needed including educational asset class primers.	Annual Model Portfolio, specialized research for clients, white papers, webcasts.	Access to white papers, newsletters, and blogs. Ad hoc research provided based on client needs. List of database sources provided.	Access to capital markets updates, in-depth annual asset class outlooks and timely and varied research papers: Investment Landscape - quarterly, Topic on Interest papers - as produced, Sound Thinking - as produced, Real Assets Outlook - Annual, Hedge Funds Environment - Annual, Private Equity Outlook - Annual, Active Management Environment - Annual, Capital Market Assumptions - Annual.

F. Manager Searches and Evaluation

	Client and consultant feedback, placement agents, database screening, conference attendance, new publications/industry journals and investment manager outreach. 1. Manager qualifications are reviewed. 2. Research Analyst advances the manager for further analysis. 3. Detailed analysis presented to Investment Team. 4. Due diligence. 5. Presentation to Investment Policy Committee.	Consulting staff works with client investment staff to determine needs of the fund - Collaborative effort. Adhere to strict criteria for identifying the most appropriate managers. Criteria: strategy, process, resources performance, costs. Use on-site visits to evaluate (on hold during pandemic). Four phase evaluation for private markets - 1.initial screening, 2. attractive characteristics, 3. competitive advantages, 4. complete references and document results of analysis.	Ongoing quantitative and qualitative analysis from research staff, screen for minimum criteria, deeper analysis on screened managers, present thesis to Due Diligence Committee for vetting. Vetted managers re placed on the Focused Placement List (FPL). Criteria used - structure, strategy, investment thesis, risk awareness, experience of team, process, compliance, track record, and risk profile.	Ongoing manager research and due diligence covered by two dedicated teams. Recommended products and strategies are presented to and approved the oversight committees composed of firm leadership and consultants. The goal of the manager evaluation and selection process is to find reliable investment products that have a proven repeatable approach for producing returns over the long-term. Criteria include alignment, edge, implementation, optimal use of risk, and understandable performance. Managers are categorized as Approved (recommended for client portfolios), Covered, or not Rated.
Process				
	Investment Metrics Investworks, eVestment Alliance, TopQ, Morningstar Direct, Pregin, Bloomberg Terminal, BCA Research, CAMBAK. Uses an approved list of managers, open door policy for meetings with any manager. Clients an consultants can provide input.	Proprietary database, Morningstar Direct, eVestment Alliance. Updated using quarterly questionnaires and monthly data gathering. No roster of preferred managers.	List of databases provided. The FPL is updated as noted in the Process section above.	Use a combination of internally developed and third-party databases (list provided). Each year review approximately 2800-3000 managers in the broad asset class universe, meet with 600-700 managers (video, teleconferences, in-person and on-site), conduct detailed due diligence on 80-100 products considered for approval or reviewed per client request, identify new strategies to be added to the approved list (approx.. 30 new each year).
Database - Manager updates				
Sample Research/Due Diligence	Provided	Provided	Provided	Provided
	Multiple interactions: on site for new managers and ongoing review + conference calls, in office, reference calls.	Interview managers who provide services to clients at least annually. Meetings may be on site of at Meketa's offices. Uses teleconferencing and video conferencing during pandemic.	Due Diligence Committee is in charge of maintaining FPL. Initial research process includes onsite due diligence with majority of prospective managers - virtual since COVID. Ongoing due diligence may be at NEPC office, manager office, or via conference call. Due diligence for managers in client portfolios are conducted annually.	Meet with clients' managers and recommended managers at least once a year (in-person, telephone, virtual and on-site), conduct on-site due diligence reviews at least once every three years.
Due Diligence - On Site/Phone/email				
Recent Search Results	Provided	Provided	Provided	Provided
Sample Manager Search Report	Provided	Provided	Provided	Provided
Hiring/Firing Recommendations	Will make definitive recommendations, provided examples.	Will make specific recommendations.	Proactive with recommendations and advice.	Hiring and firing recommendations are integral part of role as consultant.

G. Other Information

	Ongoing, objective investment education will be provided: fiduciary governance, capital markets, portfolio construction, asset class reviews - tailored to client requests/needs.	Educational seminars, educational discussions, research papers/newsletters, client conferences, webinars.	Educational programs customized for each client - part of regular review meeting or special meeting as necessary. Annual investment Conference.	Have provided ongoing education: presenting new investment strategies and opportunities, providing best practices for fulfilling fiduciary duties, interpreting economic and financial developments, conducting educational presentations on specific topics (e.g. real estate, global investments, derivatives, alternative investment strategies), publishing research on topics of interest. Verus offers a periodic client summit (conference and workshops). Quarterly video and audio conference call presentations, and research publications.
Educational Opportunities				
	Not actively recommended but will evaluate.	Not actively recommending but will evaluate.	Support as long as clients understand the risks.	Generally in favor of securities lending (assuming proper construction and adequate compensation). Will assist with search and negotiation.
Securities Lending/Custody				
	Works with a number of custodians, will assist with search and evaluation if requested.	Works with a number of custodians, will assist with search and evaluation if requested.	Will assist with search and evaluation if requested.	Will assist with evaluation and selection if requested.
Custodial Bank Searches				
	Best execution policy which may include an option for manager to use commission recapture programs.	not addressed	Best execution - commission recapture has little value in current environment.	Can assist with developing policies but believe that the small amount of compensation available in current trading environment is no longer worth the effort.
Commission Recapture				
	Reports and other documents available on permission-based portal.	Research and white papers on website, reporting through Investment Metrics portal, reporting and document management through Vantage.	ClientHUB provides access to reporting, research, and communications.	Website provides general information and research. Secure client portal officers access to reports and research and allows for the secure exchange of information.
Website/Client Portal				
	Diversity enhances the firm and its client service. Committed to strategic and focused efforts in recruiting and retention.	Committed to promoting diversity - results in better organizational decision making. Diversity Leadership Committee, employee research group (Emerge Develop Grow Engage - EDGE), community outreach.	Diversity and Inclusion Advisory Board. Provides equal opportunity regarding recruiting, working conditions, transfers, compensation, training, hiring, promotions, the use of employee facilities and other benefits. Complies with all federal, state, and local law regarding non-discrimination. Also - Diverse Manager Committee to increase the use of diverse managers.	Actively promote diversity in hiring practices. HR department guides the firm's hiring practices which are committed to improving diversity in the workplace. In addition, Verus has led a call to action for institutional asset managers to provide better data and transparency regarding the diversity profiles of their organization beyond ownership. Note Institutional Investing Diversity Cooperative (IIDC) and Diversity & Inclusion section added to questionnaire by global database provider eVestment.
Diversity and Inclusion				
37 Act Clients	None	Los Angeles, Merced, Orange, San Joaquin	Stanislaus, Ventura, San Bernardino	Alameda, Contra Costa, Fresno, Imperial, Kern, Sacramento, San Mateo, Stanislaus, Tulare
SACRS/CALAPRS/Other Memberships	SACRS member, has attended CALAPRS events.	SACRS, CALAPRS, NCPERS, NASRA + other state organizations	SACRS member, participates in CALAPRS	SACRS member, CALAPRS sponsor, NASRA member

H. Standard Contract	Accepted with insurance coverage exception.	Accepted with exceptions noted in Exhibit P	Accepted with exceptions noted in Exhibit 11	Accepted with no exceptions.
I. Fee Proposal				
Proposal	\$235,000 annual for five years. Total = \$1.175,000	\$260,000 with increases each year through year 5. Total = 1.375,000	\$269,000 with increases each year through year 5. Total = \$1,428,000	\$270,000 (no change for years 1-3) increase in year 4 (no change for year 5) Total = \$1,400,000
Additional Costs	None	Custom Private Markets and alternatives advisory services - not included - no fee quote provided. Direct alternatives - \$35,000 for each search	None	None for services requested in RFP. Charges for other services available (e.g. assistance with direct investing in alternatives). Fee schedule provided.

NOTE:

This summary is intended as an aid in comparing proposals. It is not comprehensive and is intended to be used in association with the entire proposal submitted by each firm.