



MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

REQUEST FOR PROPOSAL (RFP)

RFP 2024-001

GENERAL INVESTMENT CONSULTANT

Issued February 5, 2024

Revised February 20, 2024:
Section 3.6 Evaluation Criteria

Revised April 3, 2024:
Section 1.2 Proposed Timeline For Search and Selection Process

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SECTION 1: GENERAL INFORMATION

1.1 PURPOSE

This Request for Proposal (RFP) 2024-001 is issued by the Marin County Employees' Retirement Association (MCERA) for the purpose of soliciting proposals from qualified companies to provide comprehensive full-retainer general investment consulting advice and services.

The selected investment consulting company will report regularly to the Board's Investment Committee, working closely with the Committee, Retirement Administrator and Staff. The selected company will demonstrate extensive experience and superior capability for providing those investment consulting services that are critical to the success of a public pension system. In general, the selected company will assist the Board and MCERA in the on-going process of investment policy development and implementation. The company will serve in a fiduciary capacity and will acknowledge in writing the company's fiduciary status, without qualification. In all cases, the company and its consultants will offer advice and recommendations to the Board and MCERA that is solely in the interest of the plan participants and beneficiaries.

1.2 PROPOSED TIMELINE FOR SEARCH AND SELECTION PROCESS

The following is based on best estimate of the schedule for the review and analysis of the proposals in response to the RFP. The schedule can be adjusted as necessary by MCERA. Each company will be notified of changes to the proposed schedule.

| | |
|-------------------|---|
| February 5, 2024 | RFP posted to MCERA website: www.mcera.org |
| February 20, 2024 | Deadline for submission of questions concerning the RFP |
| February 29, 2024 | Questions and corresponding responses posted to MCERA website |
| March 6, 2024 | Deadline for submission of proposals and any additional documents |
| March 13, 2024 | Initial proposal review with Ad Hoc Committee |
| April 17, 2024 | Proposal evaluations complete and finalist companies selected |
| May 6, 2024 | Finalist interviews with Ad Hoc Committee |
| May 13, 2024 | Site visits to finalist companies, if necessary |
| June 12, 2024 | Board review of Ad Hoc Committee recommendation |
| June 13, 2024 | Contract negotiations complete |
| July 1, 2024 | Services begin |

1.3 PROPOSAL SUBMISSION

The deadline for submission of the proposal is **March 6, 2024, 4:00 p.m. PST**. Please submit one complete electronic copy and 7 additional paper copies of the proposal to:

Jeff Wickman
Retirement Administrator
Marin County Employees' Retirement Association
One McInnis Parkway
Suite 100
San Rafael, CA 94903-2764
jeff.wickman@marincounty.gov

1.4 ERRORS AND OMISSIONS

If a Proposer discovers any ambiguity, conflict, discrepancy, omission or other error in this RFP, please immediately notify MCERA of such error by e-mail at jeff.wickman@marincounty.gov and request clarification or modification of the document.

If it becomes necessary to revise any part of this RFP or if a more exact interpretation of provisions of this RFP are required prior to the due date for proposals, a supplement will be posted by MCERA on its website. If such addenda issuance is necessary, MCERA reserves the right to extend the due date of proposals to accommodate such interpretations or additional data requirements.

If the Proposer fails to notify MCERA of a known error or an error that reasonably should have been known prior to the final filing date for submission, the Proposer shall assume the risk. If awarded the contract, the Proposer shall not be entitled to additional compensation or time by reason of the error or its late correction.

1.5 CONFIDENTIALITY

Proposers are advised that materials contained in proposals are subject to the California Public Records Act (Cal.Gov. Code Sections 6250 et. seq., "CPRA"), and, after the contract award, may be viewed and copied by any member of the public, including news media and competitors.

If you believe that any portion of your proposal is exempt from public disclosure under the CPRA, you must mark such portion "TRADE SECRETS", "CONFIDENTIAL" OR "PROPRIETARY", and make it readily separable from the remainder of your response. Proposals thus marked in their entirety will not be honored. By submitting a proposal with material marked "TRADE SECRETS", "CONFIDENTIAL" OR "PROPRIETARY", you represent you have a good faith belief that the material is exempt from disclosure under the CPRA; and you may be required to justify in writing why such material should not, upon request, be disclosed by MCERA under the CPRA.

If MCERA denies public disclosure of any portions so designated, you agree to reimburse MCERA for, and to indemnify, defend and hold harmless MCERA, its officers, fiduciaries, employees and agents from and against: (a) any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs and expenses including, without limitation, attorneys' fees, expenses and court costs of any nature whatsoever (collectively, "Claims") arising from or relating to MCERA's non-disclosure of any such designated portions of your proposal; and (b) any and all Claims arising from or relating to MCERA's public disclosure of any such designated portions of your proposal if MCERA reasonably determines disclosure is deemed required by law, or if disclosure is ordered by a court of competent jurisdiction.

1.6 RFP RESPONSE COSTS

Any cost incurred by the Proposer in the preparation, transmittal or presentation of any proposal or material submitted in response to this RFP will be borne solely by the Proposer.

1.7 DISCUSSION FORMAT

MCERA reserves the right to conduct discussions, either oral or written, with those Proposers determined by MCERA to be potential finalists. MCERA also reserves the right to clarify minor issues with potential finalists.

SECTION 2: BACKGROUND AND NATURE OF SERVICES REQUESTED

2.1 MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

The Marin County Employees' Retirement Association (MCERA) is a cost-sharing multiple-employer defined benefit plan (the plan) covering all permanent employees of the County of Marin and of the following employers: Marin County Superior Court, City of San Rafael, Novato Fire Protection District, Southern Marin Fire Protection District, Marin City Community Services District, Tamalpais Community Services District, Local Agency Formation Commission and Marin Sonoma Mosquito and Vector Control District. The plan is administered by the Marin County Board of Retirement (the Board), which consists of nine members and three alternate members.

2.2 INVESTMENT PROGRAM

MCERA is governed by the County Employees' Retirement Law (CERL) of 1937 (1937 Act) and California Public Employees' Pension Reform Act of 2013 (PEPRA), as applicable. It is also governed by the California Constitution, article XVI, section 17 and California Government Code Sections 31594 and 31595, which provide for prudent expert administration of the plan and investment of its funds. Those provisions also require that the Board diversify the investments of the retirement system to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so. Under these laws, the type and amount of plan investments as well as the quality of securities is not specifically delineated; rather the investments are made considering the overall best interest of MCERA plan members and beneficiaries.

Under the provisions of the CERL the Board manages the plan (aka "retirement system" or "fund"). The specific responsibilities of the Board include but are not limited to:

- Establishing and implementing investment policy
- Recommending employee and employer contribution rates to the Board of Supervisors and other governing employer bodies based on actuarial recommendations
- Establishing policy for the operation of MCERA

The fund has an approximate market value of \$3.1 billion as of September 30, 2023 with all assets managed by outside investment managers. The Board, through its Investment Policy Statement, has adopted the following strategic policy asset allocations:

**Marin County Employees' Retirement Association
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| Asset Class | Target Percent | Allowable Range |
|---|-----------------------|------------------------|
| US Equities | 32.0% | 28.0% - 36.0% |
| Large Cap Core | 24.0% | 21.0% - 27.0% |
| Small Cap Core | 8.0% | 6.0% - 10.0% |
| Non-US Equities | 22.0% | 19.0% - 25.0% |
| International Non-US Developed | 11.0% | 9.0% - 13.0% |
| International Small Cap Core | 5.5% | 4.5% - 6.5% |
| International Emerging Markets | 5.5% | 4.5% - 6.5% |
| Fixed Income | 23.0% | 20.0% - 26.0% |
| US Core Plus Fixed Income | 23.0% | 20.0% - 26.0% |
| Real Assets | 7.0% | 4.0% - 10.0% |
| Treasury Inflation Protected Securities | 1.75% | 1.5% - 2.0% |
| Commodities | 1.75% | 1.5% - 2.0% |
| Global Natural Resource Equity | 1.75% | 1.5% - 2.0% |
| Real Estate Investment Trusts | 1.75% | 1.5% - 2.0% |
| Real Estate | 8.0% | 4.0% - 12.0% |
| Opportunistic | 0.0% | 0.0% - 5.0% |
| Private Equity | 8.0% | 0.0% - 12.0% |

The following principles apply when asset allocations are outside the allowable ranges noted above:

1. Cash held by MCERA and cash awaiting investment in private equity investments or other alternative investments may be securitized with exchange-traded futures to the underweight asset class by MCERA's overlay manager. The use of derivative instruments is permitted if it does not create economic leverage in the portfolio and the instruments comply with the Derivatives section of the MCERA investment policy.
2. To rebalance as efficiently as possible and save transaction costs, allocations may be brought back by 50% of the difference between the current position and its target percentage, rather than exactly to the target percentage as long as the rebalancing brings the allocation back within the allowable range.

2.3 INVESTMENT MANAGERS

MCERA currently utilizes the following external managers to execute its strategic asset allocation:

| Asset Class | Investment Manager |
|-----------------------|--|
| Large Cap Equity | State Street Global Advisors |
| Small Cap Equity | Dimensional Fund Advisors |
| International Equity | Fidelity Institutional Asset Management State Street Global Advisors TimesSquare |
| Domestic Fixed Income | Wellington Management Company Western Asset Management Company |
| Real Assets | BlackRock Invesco Kleinwort Benson Investors |
| Real Estate | AEW Capital Management UBS Realty Investors Woodmont Real Estate Services |
| Opportunistic | CarVal Fortress Varde |
| Private Equity | Abbott Capital Management Pathway Capital Management |

2.4 SCOPE OF SERVICES

The services required include, but are not limited to, the following:

Investment Policy and Asset Allocation

- a) Conduct an annual comprehensive review and analysis of investment policies, objectives, asset allocation and portfolio structure, and recommend changes, if appropriate. Review and update the system's investment policy statement.

- b) Work with staff and the actuary to conduct an asset/liability study of the fund at least every three years, including recommending methodologies, assumptions, asset classes for consideration, and alternative asset allocations.
- c) Develop an appropriate investment management structure for the system and each asset class that considers the role of active versus passive strategies and investment management styles under different market conditions.
- d) Analyze the investment characteristics of available asset classes and the risk/return potential of alternative asset mix policies.
- e) Develop policies, guidelines and procedures for rebalancing the asset mix.
- f) Advise the system about new developments in investment management techniques and portfolio management strategies. Analyze how new techniques might improve the investment program and whether they should be implemented.
- g) Provide advice and recommendations on various other investment policy issues including, but not limited to: currency management, derivatives, rebalancing, use of soft dollars, securities lending, proxy voting, etc.

Investment Manager Search, Selection and Review

- a) Provide advice and recommendations on investment manager allocation and structure, manager mandates, fees and performance benchmarks.
- b) Provide on-going monitoring and oversight of investment managers to ensure compliance with laws and regulations, investment policies and manager mandates. Have periodic discussions with managers on investment performance and organizational issues (such as changes in ownership, staff, new products, etc.).
- c) Advise on manager retention/termination and assist in developing a formal manager review process.
- d) Provide investment manager search and selection services and make recommendations as necessary.
- e) Assist with negotiating appropriate investment management agreements.
- f) Monitor and evaluate investment manager trading and transaction costs.
- g) Conduct on-site due diligence meetings with potential managers prior to hire and current managers at least every three years.
- h) Assist with the transition of managers who have been hired or terminated by the Board.

Performance Monitoring and Reporting

- a) Compare the investment performance of the total fund, asset classes and investment managers to relevant benchmarks and “peer group” samples.
- b) Conduct performance attribution analysis to determine the value added by investment manager, investment policy, asset allocation and security selection.
- c) Present performance reports on a quarterly basis to the Board’s Investment Committee.
- d) Recommend appropriate performance benchmarks for the total fund, each asset class, portfolio composite and investment manager.
- e) Provide access to performance evaluation and attribution analytics, tools and software.
- f) Track and report unanticipated or emerging market issues that may impact MCERA immediately to the Retirement Administrator.
- g) Provide risk reporting and advisory services including monitoring, analysis, and reporting on different measures of risk.
- h) Assist MCERA staff with investment related issues as needed.

Client Service and Education

- a) Attend five (5) Investment Committee meetings scheduled the week after every other monthly Board meeting as well as at least two annual Strategic Workshops, one scheduled in the spring and one in the fall. Also attend special meetings pertaining to investments that may be necessary from time to time.
- b) Prepare and present quarterly reports on investment performance.
- c) Provide presentations designed to walk the Board through a decision-making process using historical performance reporting that includes the most updated financial market data and pricing available.
- d) Communicate and coordinate effectively with staff, MCERA’s actuary, counsel and the custodian bank.
- e) Respond to inquiries between meetings in an appropriate and timely manner.
- f) Report any significant changes in the company’s ownership, organizational structure and personnel in a timely manner.
- g) Assist on special projects as needed from time to time.
- h) Provide all other investment advisory-related services as requested.

- i) Provide education to Board and staff on investment issues.
- j) Make available all company research, including proprietary research, and provide consultation with research staff.

Review, Search and Selection of Other Investment-Related Vendors

- a) Provide advice and recommendations on custodial arrangements (including custodian review and search services).
- b) Assist with evaluation, search and selection involving other investment-related consultants and vendors as required.

SECTION 3: PROPOSAL PROCEDURES

3.1 MINIMUM QUALIFICATIONS FOR PROPOSAL

The Proposer must meet all the following minimum qualifications to be given further consideration. Failure to satisfy any of the minimum qualifications will result in the immediate rejection of the proposal.

- a) The company must provide investment consulting services to institutional clients with aggregate assets totaling at least \$5 billion.
- b) The primary consultant assigned to this account must have a minimum of seven (7) years of experience providing domestic and international investment consulting services to public and/or private pension plans.
- c) The company must have been in business at least (10) years as of December 31, 2023.
- d) The company must have at least three (3) public pension fund clients, one of which must have assets in excess of three (3.0) billion U.S. dollars as of December 31, 2023.
- e) The consultant must carry a commercially reasonable level of errors and omissions coverage.

3.2 SUBMISSION REQUIREMENTS

Please complete all questions in the order that they are presented in Section 4, Parts A and B, of this Request for Proposal (RFP). Include all section and question numbers in your responses.

The individual(s) who is (are) authorized to bind the Proposer contractually must sign a cover letter, which will be considered part of the proposal. This cover letter must indicate the signer is authorized to bind the Proposer and must indicate the title or position that the signer holds in the Proposer's company. An unsigned cover letter shall cause the proposal to be rejected. The letter must also contain the following:

- a) The Proposer's name, address, telephone number, email and facsimile number.
- b) The Proposer's Federal Employer Identification Number and Corporate Identification Number, if applicable.
- c) The name, title or position, and telephone number and email of the individual signing the cover letter.
- d) A statement indicating the signer is authorized to bind the Proposer contractually.
- e) The name, title or position, and telephone number and email of the primary contact and/or account administrator, if different from the individual signing the cover letter.
- f) A statement to the effect that the proposal is an irrevocable offer of the company, good for three years with two one-year extensions.
- g) A statement expressing the Proposer's availability of staff and other required resources for performing all services and providing all deliverables specified herein.
- h) A statement as to whether any provisions in the accompanying Model Investment Consulting Agreement with MCERA would be unacceptable to the company and, if so, the company's proposed amendment(s).

3.3 INQUIRIES

All questions regarding the intent or content of this RFP or the proposal process must be directed in writing to Jeff Wickman, Retirement Administrator, by email (jeff.wickman@marincounty.gov).

3.4 CONTACTS

In accordance with the MCERA Board's Code of Fiduciary Conduct, Ethics and Governance Policy, an evaluation period is immediately in effect which applies to any service provider of investment consulting services. During the evaluation periods, staff and trustees shall not accept meals, travel, hotel, or other types of gifts from the service provider in question or otherwise communicate with the service providers.

In addition, trustees shall not communicate with any investment consultant service providers on matters pertaining to MCERA, except during board meetings, committee meetings, or due diligence visits. All communication to MCERA must be directed to Jeff Wickman, Retirement Administrator.

3.5 RESERVATIONS

This procurement and any agreement with proposers that may result shall be governed by the laws of the County of Marin and the State of California and any dispute hereunder shall be heard in Marin County Superior Court. Submission of a proposal constitutes acceptance of this condition.

MCERA reserves the right to award this contract to the firm which, in its sole judgment, will provide the best match with the requirements outlined in the RFP. MCERA is not required, and will not be obligated, to award this contract to the firm with the lowest cost proposal. This RFP does not obligate MCERA to contract for services specified herein.

MCERA reserves the right to reject proposals due to their noncompliance with the requirements of this RFP.

MCERA reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

MCERA reserves the right to cancel this RFP at any time, and to reject any and all proposals submitted in response to this RFP if MCERA determines such action or actions are in its best interest.

3.6 EVALUATION CRITERIA

The weighted factors below will be considered by MCERA when evaluating the submittals.

| <u>Evaluation Criteria</u> | <u>Weight</u> |
|---------------------------------------|---------------|
| Experience and Capabilities | 25% |
| Professional Staffing | 25% |
| Methodology | 30% |
| Philosophy and Approach to Consulting | 10% |
| Fee Proposal | 10% |

3.7 AWARDING OF CONTRACT

The qualifying proposal determined to be the most advantageous to MCERA, taking into account all of the evaluation criteria (as outlined above), may be selected by MCERA for further action, such as a contract award. If, for any reason, a proposal is selected and it is not possible to consummate a contract with the selected company, MCERA may begin contract discussions with the next qualified company or determine that it does not wish to award a contract pursuant to this RFP, at its sole discretion.

At the point of contract, a final detailed agreement concerning services and performance expectations, substantially in the form of the Model Investment Consulting Services Agreement ("Model Agreement") that is attached hereto as Attachment A, will be agreed upon between

MCERA and the successful firm. The terms of the final contract between MCERA and the successful firm will be binding and supersede this RFP. However, this RFP and the successful firm's proposal will be incorporated into the contract.

As set forth in the Model Agreement, the successful firm will be required to acknowledge, in writing, that it is a fiduciary with respect to MCERA.

SECTION 4: INFORMATION TO BE PROVIDED

PART A: QUESTIONNAIRE

All responses must include the original question using the number format listed below. Please be as clear and complete as possible in your responses. Incomplete or misleading information may lead to elimination of the company from consideration.

Name and Contact Information

1. What is the current name of the company?
 - a) If the name has changed, what was the previous name?
 - b) What was the original name of the company when it was founded?
2. Please provide the following information on the company:
Address:
Phone Number:
Company's Website:
3. Please provide the following information on the primary RFP contact for the company:
Name:
Title:
Phone Number:
Facsimile Number:
Email Address:

History, Ownership, Company Organization and Financial Information

4. Provide an organizational chart of the company, parent and all subsidiaries and affiliated companies.
5. When was the company founded or established? If the company was subsequently acquired by another company, when did this take place?
6. Please provide the names of the current owners of the company and indicate their percentage of ownership.
7. Provide biographies of the company's professional staff to be assigned to this account.
8. Please provide a brief description of the current ownership and organizational structure of the company. Indicate the names of any subsidiary or affiliated companies and briefly describe the nature of their business and the relationship between the company and these other companies.

9. Have there been any significant changes in the company's ownership, structure or organization over the past three years? What significant changes, if any, do you anticipate in the future?
10. Please list the location of all offices and the number of employees in each office. Indicate the office which would service this account.
11. Is the company registered as an investment advisor under the Investment Advisor Act of 1940? Does it acknowledge that it has a fiduciary obligation as an investment advisor in providing investment consulting services to public pension plans?
12. Provide the latest Annual Report or Statement of Financial Condition.
13. The most recently filed SEC Form ADV, Parts I and II.
14. A copy of the company's policies and procedures related to Conflict of Interest.

Services and Revenues

15. How long has the company been providing investment consulting services to public pension plans?
16. Please list the standard investment consulting services that the company provides in a typical public pension plan full service relationship. (A full-service consulting relationship defined to include advice on asset allocation, investment manager search and performance measurement.) List any other products or services that may be of interest.
17. Please indicate the percentage of the company's investment consulting revenue received from full-service plan sponsor clients and non-full-service relationships during the most recent fiscal year:

| Source of Investment Consulting Revenue | Percent Revenue |
|---|-----------------|
| Full service plan sponsor clients | |
| Non-full-service relationships | |

18. Does the company or any affiliate (including any subsidiary or parent company) provide any services in addition to investment consulting, such as:
 - a) Human resources, actuarial and benefits consulting?
 - b) Investment management services?
 - c) Broker/dealer services?
 - d) Fund-of funds services
 - e) Any other services (please specify)?

19. Please indicate the percentage of total revenue received by the company (including any subsidiary company) from investment consulting and any additional services listed above during the most recent fiscal year:

| Source of Total Company Revenue | Percent Revenue |
|--|------------------------|
| Investment consulting | |
| Human resources, actuarial and benefits consulting | |
| Investment management services | |
| Broker/dealer services | |
| Fund-of funds services | |
| Other services: (please specify) | |

20. If the company has a parent company, please indicate the percentage of revenues received by the parent company from the following sources during the most recent fiscal year:

| Source of Parent Company Revenue | Percent Revenue |
|---|------------------------|
| Plan sponsor consulting clients | |
| Investment manager clients | |
| Brokerage clients | |
| Other clients: (please specify) | |

Independence and Objectivity

21. If the company or any affiliate provides services other than investment consulting, please explain briefly what policies or procedures the company has established to avoid or limit any potential conflicts of interest that could arise in providing advice to its public pension plan clients.
22. Does the company or an affiliate provide any services to, or receive any compensation from, investment managers, including but not limited to: (i) charges for inclusion in company's database, (ii) conference fees, (iii) brokerage commissions, etc.?
a) If so, please describe briefly the nature of these services and compensation.
b) Does the company or an affiliate provide any services or conduct any business with the retirement system's current investment managers?
23. Does the company have any arrangements with broker-dealers under which it, or an affiliated company, will benefit if investment managers place trades for their clients with such broker-dealers?

24. Does the company accept a pension plan's brokerage commissions as payment for its services? If so, please explain briefly how it ensures that the plan receives best execution in securities transactions.
25. Please disclose any potential conflicts of interest that may arise from the company's representation of a public pension system, including the activities of any affiliated, subsidiary or parent company.

Institutional Clients

26. How many institutional clients on a full-service consulting basis does the company currently have? What are the total assets under advisement? Provide a list of these institutional clients including the year they were retained by the company.
27. Please indicate the number of full service consulting clients that the company currently has by type of client and size of assets:

| Type of Clients | Under \$1 billion | \$1 - 10 billion | \$10 - 25 billion | Over \$25 billion |
|--------------------------------------|--------------------------|-------------------------|--------------------------|--------------------------|
| Public Pension Plans | | | | |
| Corporate Plans | | | | |
| Union/Taft-Hartley Plans | | | | |
| Endowments, Foundations & Hospitals | | | | |
| Other | | | | |
| Total Number of Full Service Clients | | | | |

28. Please indicate the number of full service consulting clients that the company currently has by length of service:

| Length of Service | Number of Clients |
|--------------------------|--------------------------|
| Less than 1 year | |
| 1 – 5 years | |
| 5 – 10 years | |
| Over 10 years | |

29. How many client relationships were terminated within the last three years?
a) In how many cases of termination was the company dismissed outright or the contract rebid and the company not retained or not asked to bid?
30. Does the company participate in any independent surveys of investment consultants (e.g. Plan Sponsor, Greenwich, etc.)? If so, how has it ranked in each of the last three years?

Litigation and Insurance

31. Has the company, or any officer, principal, or employee of the company or an affiliated company, ever been investigated and/or charged by the Securities and Exchange Commission ("SEC"), the U.S. Department of Labor ("DOL"), or any other regulatory authority for violation of applicable laws? If so, please explain.
32. Has the company, or any officer, principal, or employee of the company, ever been involved in any business litigation or other legal proceeding? If so, please explain and indicate the current status of the litigation.
33. Does the company, or any officer, principal, or employee of the company, have any lawsuits pending against it concerning the delivery of investment consulting or related services for any client? If yes, please explain.
34. Please provide the level of insurance coverage that the company carries for errors and omissions and any fiduciary or professional liability. For each type of insurance, please indicate:
a) The name of the insurance carrier; and
b) Whether the coverage is on a per client basis or applies to the company as a whole.

Professional Staff

35. Please indicate the number of professional staff that the company currently employs in each of the following categories. (Each person should be assigned to only one category.)

| Categories of Professional Staff | Number of Staff |
|---|------------------------|
| Lead Consultants | |
| Consultants | |
| Analysts | |
| Company Management | |
| Economists | |
| Marketing | |
| Analytics/Systems | |
| Total Professional Staff | |

36. Please indicate the total turnover in professional staff during the last three years.

| Staff Turnover | Number of Staff |
|-----------------------|------------------------|
| Hired | |
| Terminated | |
| Resigned | |
| Retired | |

37. What is the average number of clients per consultant? Does the company have a maximum limit on the number of clients assigned per consultant?
38. How many professional staff have Chartered Financial Analyst (CFA) or Chartered Alternative Investment Analyst (CAIA) designations? How many are currently enrolled in these programs?
39. Which of the following types of compensation are provided to the company's professional staff? Please indicate whether the compensation applies to all staff, senior staff, key employees, or principals only.

| Compensation | All/Senior/Key/Principals |
|--------------------------|----------------------------------|
| Salary | |
| Bonus | |
| Profit Sharing | |
| Stock Ownership | |
| Stock Options | |
| Equity Participation | |
| 401(k) or Other Deferred | |
| Other (please specify) | |

40. How many professional staff would be assigned to this account?

41. Please provide the following information on the lead consultant and, if applicable, the support consultant to be assigned to this account:
- a) Name
 - b) Title
 - c) Role
 - d) Years of institutional investment experience
 - e) Years of investment consulting experience
 - f) Years with the company
 - g) Education/qualifications
 - h) Number of accounts as lead consultant
 - i) Number of accounts as support consultant
42. Please provide the name and title and/or function of the other members of the team to be assigned to this account.

Asset Allocation

43. How long has the company been conducting asset allocation studies for public pension plans? How many studies has the company conducted over the past three years?
44. Are the asset allocation studies based on analysis of both assets and liabilities of the public pension plan, or assets only?
- a) Is the asset allocation model stochastic or deterministic? For assets? For liabilities?
 - b) Please explain briefly how the modeling of the assets influences or impacts the modeling of the liabilities, or vice versa.
45. Was the asset allocation model internally developed, or is it licensed from one or more third-party vendors? Please provide the names of the third-party vendors if any.
46. If the asset allocation recommendation is to be based on analysis of the risk versus reward of alternative asset allocation policies, over what future time period is the impact of these policies simulated and why?
- a) How does the asset allocation model measure reward for a defined benefit public pension plan?
 - b) How does the model define and measure risk?
47. How are the assumptions or inputs to the asset allocation model determined?
- a) Based on historical data on returns, volatility and correlations.
 - b) Historical data with adjustment to reflect current market conditions.
 - c) Estimates of future inflation, real yields and risk premiums.
 - d) Economic forecast of inflation, interest rates and economic growth.
 - e) Other or a combination of the above (please explain briefly).

48. What is the methodology for developing these assumptions?
 - a) What information or data sources are used?
 - b) Who in the company is involved in this process?
 - c) How often are these assumptions updated or revised?
49. Please list the asset classes which are included in the company's asset allocation model. Are there asset classes that are not included?
 - a) If alternative or non-traditional asset classes (such as real estate, private equity, hedge funds, etc.) are included, how does the model deal with non-market valuation and/or non-normal distribution of returns of these asset classes? Please explain briefly.
 - b) If these asset classes are not included in the model, how is the allocation to these asset classes determined in the asset allocation study?
50. How frequently would the company be prepared to conduct an asset allocation study?
 - a) What type of follow-up analysis or review of asset allocation would the company perform in between formal asset allocation studies?
51. Under what circumstances do you think it would be appropriate to make a significant shift in the risk level (either increasing or decreasing) of the portfolio?
52. Under what circumstances would you think it appropriate to have different investment policies for different plan sponsors within a fund?

Investment Manager Search and Selection

53. How many investment manager searches has the company conducted over the past three years for the following asset classes and investment strategies? What was the total value of assets involved in each type of search?

| Manager Searches | Number | Value of Assets |
|--|---------------|------------------------|
| Domestic Equities (all styles & market segments) | | |
| Domestic Fixed Income (including high-yield bonds, mortgages, etc.) | | |
| International and Global Equities (including emerging market equities) | | |
| Global Bonds (including emerging market bonds) | | |
| Alternative Investments (real estate, private equity and hedge funds) | | |
| Synthetic Strategies (TAA, currency overlay, alpha transport, managed futures, etc.) | | |
| Other Asset Classes (including commodities, timberland, infrastructure, etc.) | | |
| Total Manager Searches | | |

54. Is there a unit or group within the company dedicated to (i.e. spends 100% of its time on) manager research?
- a) If so, how many professional staff are in that group?
 - b) How many other professional staff, if any, are involved in manager research or due diligence? What percentage of time on average do they spend on these activities?
55. What process do you use to identify new investment managers who may not have 10 or more years' experience but would be firms that should be included in a potential search?
56. What process do you use to ensure that the investment managers whom you propose include diverse leadership teams?
57. How many times did the company formally meet with investment managers, either on-site or in the company's offices, annually on average over the past three years?

58. Please describe the company's capabilities in providing investment consulting and manager search services for alternative investments, including real estate, private equity, hedge funds, commodities, infrastructure, timberland, and other non-traditional asset classes.
- a) How many searches has the company conducted over the past three years for each type of alternative investments? How many were fund-of-funds and how many were individual funds or managers? What was the total value of assets involved in these searches?
 - b) Does the company have any staff dedicated to research on alternative investment managers and funds? If so, how many?
 - c) How often did the company meet formally with alternative investment managers (general partners or company officers) annually on average over the past three years?

Monitoring and Oversight

59. Provide a copy of the company's Monthly/Quarterly Performance Report, both in executive summary form and in full detail.
60. Please explain briefly how the company evaluates the investment performance of a public pension plan at the total fund level?
- a) What benchmarks does the company recommend that a public pension plan use to measure performance at the total fund level?
 - b) Are there any liability-related benchmarks that the company uses to determine the impact of total fund performance on the funded position of the pension plan?
61. What sources and/or databases does the company use to obtain information on benchmarks and indices for performance measurement and evaluation?
- a) Are there any asset classes, market segments, and investment styles or strategies for which the company does not have benchmarks to measure performance?
 - b) Does the company have the ability to develop customized benchmarks or normal portfolios for specialized investment strategies?
62. What performance measurement databases or systems does the company use to compare the performance of the total fund and individual asset classes, managers and portfolios against their peer groups?
- a) How many public pension funds are covered in those databases?
 - b) How many investment managers and portfolios/products are included?
 - c) For each database, please indicate where the data comes from, how it is verified, who calculates the investment returns, and how any discrepancies are corrected.
63. Does the company provide performance attribution analysis at the total fund level as well as for individual asset class portfolios? Which asset classes?

- 64. How does the company monitor or track the investment style of client portfolios?
 - a) What style analysis software or model does it use?
 - b) Is the style analysis based on returns or on portfolio holdings?
 - c) What asset classes are covered in the style analysis?
- 65. How does the company monitor or track the compliance of the client's investments with:
 - a) Policies and guidelines of the plan?
 - b) Investment manager mandates, agreements or contracts?
 - c) Laws and regulations?
- 66. Does the company periodically undertake a formal and comprehensive review and evaluation of its clients' investment managers?
 - a) How often does it recommend that such an evaluation be done for each manager?
 - b) In addition to investment performance, what other aspects or features of a manager's service or organization would be covered in such an evaluation?
 - c) Provide a sample of the company's due diligence reports on investment managers.

Research and Education

- 67. Does the company undertake any research on general investment and pension-related issues?
 - a) Please list the broad topics or areas on which such research was conducted over the past three years.
 - b) What types of publications are made available to clients – e.g. research reports, newsletters, client memos, capital market reviews, etc.? How frequently are these publications produced?
 - c) Provide a sample research report on different investment topics.
 - d) Provide a sample presentation on investment education provided to a public pension plan client.
 - e) Provide a sample Investment Policy Statement the company has developed for a public pension plan client.
- 68. What percentage of total revenue did the company spend on research and technology on average over the past three years?
- 69. How does the company provide education services to board trustees and staff?
 - a) At regular board meetings
 - b) Half or one-day seminars or workshops at client offices
 - c) Board retreats
 - d) Annual client conference
 - e) All the above.

PART B: PHILOSOPHY AND APPROACH TO CONSULTING

1. What is the overall philosophy of the company regarding an investment consultant's relationship with the board of trustees, staff, and investment managers?
2. State as clearly as possible the company's investment philosophy. Are there any fundamental beliefs about capital markets which underpin the company's investment advice to its pension plan clients?
3. What are the most crucial issues to consider in establishing investment policy for a public sector pension plan?
4. Please summarize, in one page or less, the company's investment consulting capabilities and expertise. What are the company's major strengths and limitations? Do you provide any services which are not provided by other investment consultants? Why should the retirement system engage you as its investment consultant?
5. Describe the plans for managing the future growth of the company, including limitations, if any, on the number of clients that the company intends to accept.
6. Explain how the consulting team assigned to this account would function, including lead consultant, back-up, quality control and support services.
7. How would you suggest that we measure and evaluate the performance of your company as an investment consultant?

SECTION 5: FEES

The proposed fees shall be guaranteed for the duration of the contract which shall be a period of five (5) years from the effective date of the contract unless the contract is terminated earlier.

The services listed in Section 2.4, "Scope of Services" should form the basis for the proposed fees.

The method of payment will be set forth in the contract. Once the consultant is selected, the fee may be negotiated further depending on the variance from other proposals received. In no case will the negotiated fee be higher than the fee contained in this proposal.

Please use the following template as a guide in presenting your fee proposal:

A. All-Inclusive Flat Fee:

| | | |
|---------------------------------|------------|----------|
| All-Inclusive Flat Fee - Year 1 | | \$ _____ |
| All-Inclusive Flat Fee - Year 2 | | \$ _____ |
| All-Inclusive Flat Fee - Year 3 | | \$ _____ |
| All-Inclusive Flat Fee - Year 4 | (optional) | \$ _____ |
| All-Inclusive Flat Fee - Year 5 | (optional) | \$ _____ |
| TOTAL FEES (Years 1-5) | | \$ _____ |

B. Additional Fees or Costs:

Please provide a fee quote for any services or expenses, including any additional fees associated with alternative asset classes, that would not be covered in the fees proposed in Part A above. Please list fees as flat fees or hourly rates per consultant, as appropriate.

| | |
|-----------------------|----------|
| Service/expense _____ | \$ _____ |
| Service/expense _____ | \$ _____ |
| Service/expense _____ | \$ _____ |

C. Additional Information:

Please provide any additional information that may assist us in more clearly understanding your fee proposal:

Name of Company

Date

Signature

Title

**ATTACHMENT A: MODEL AGREEMENT FOR INVESTMENT CONSULTING
SERVICES**

See attached document.

**AGREEMENT FOR
INVESTMENT CONSULTING SERVICES**

AND
MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

This Agreement for Investment Consulting Services (hereinafter referred to as the "Agreement") is made and entered into by and between _____, a _____ (hereinafter referred to as "Investment Consultant"), and MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (hereinafter referred to as MCERA) to provide investment consulting services in accordance with this Agreement.

1. APPOINTMENT AND TERM

MCERA hereby retains Investment Consultant as a fiduciary to provide investment consulting services to MCERA and its Board of Retirement ("Board"). The term of this Agreement shall commence as of _____ and shall continue for a period of _____ years ("Term") unless otherwise extended by mutual agreement of the parties or unless earlier terminated pursuant to the terms and conditions of this Agreement.

2. SCOPE OF WORK

Investment Consultant acknowledges its receipt of MCERA's Investment Policy Statement (the "IPS"), which MCERA may amend from time to time and provide in writing to Investment Consultant. In accordance with the IPS and such other objectives and guidelines provided in writing by MCERA, Investment Consultant shall provide the investment consulting services under this Agreement as described in Attachment A; it being understood, however, that during the performance of such services by Investment Consultant, the Board shall retain and exercise all decision-making authority with respect to the management and administration of the MCERA retirement plan assets and investments relating thereto, except as MCERA may delegate to third party investment managers or custodians pursuant to a written contract.

3. ADDITIONAL WORK

Consulting projects beyond the scope of services included in Attachment A may be conducted by Investment Consultant at the direction and written request of MCERA. The fee for each such project shall be mutually agreed upon in writing between MCERA and Investment Consultant and attached as an addendum to this Agreement. Unless otherwise agreed to in writing, the terms of this Agreement shall apply to any agreements for any such projects.

4. FIDUCIARY STATUS OF INVESTMENT CONSULTANT

Investment Consultant acknowledges and agrees that the services it provides to MCERA under this Agreement make it a fiduciary to MCERA and its Board. As a fiduciary, Investment Consultant shall discharge each of its duties and exercise each of its powers under this Agreement with the competence, care, skill, prudence and diligence under the circumstances then prevailing and that a prudent person acting in a like capacity and familiar with such matters would use in

the conduct of an enterprise of like character and with like aims, in conformance with the California Constitution, Article XVI, Section 17 and Sections 31594 and 31595 of the California Government Code, and with the customary standard of care of a professional investment consultant providing services for a U.S. employee pension trust, and shall act consistent with its duty of loyalty to MCERA and the Board ("Fiduciary Standard"). Investment Consultant shall cause any and all of its employees, agents, representatives and sub-advisors, that provide services in connection with this Agreement ("Agents") to exercise the same Fiduciary Standard for the benefit of MCERA. Any agreement between Investment Consultant and any such Agent shall provide that MCERA is a specific third party beneficiary of the Fiduciary Standard required under such agreement.

5. CUSTODY OF ASSETS

Investment Consultant shall under no circumstances act as custodian of MCERA's assets ("Assets") nor shall it otherwise have custody or physical control of the Assets. MCERA has retained State Street Bank & Trust as its custodian ("Custodian") and Investment Consultant shall reasonably cooperate with Custodian in providing the services described in this Agreement.

6. REPRESENTATIONS AND WARRANTIES BY INVESTMENT CONSULTANT.

Investment Consultant represents, warrants and covenants that (i) it is registered with the Securities and Exchange Commission ("SEC") as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act") and shall continue to be so registered during the term of this Agreement; (ii) it has completed, obtained and performed and shall in the future complete, obtain and perform any and all other registrations, filings, approvals, authorizations, consents or examinations required by any government or governmental authority for acts or services contemplated by this Agreement; (iii) this Agreement has been duly authorized by appropriate action by Investment Consultant and has been executed on behalf of Investment Consultant by a person or persons authorized to do so on behalf of Investment Consultant; (iv) when executed and delivered, this Agreement will be binding upon Investment Consultant in accordance with its terms; (v) Investment Consultant shall operate in compliance in all material respects with all state and federal securities laws and other federal laws applicable to investment advisers, including without limitation the Advisers Act, the USA Patriot Act, the U.S. Foreign Corrupt Practices Act, regulations and directives of the Office of Foreign Assets Control, ERISA, to the extent applicable, and with state laws, including the California Constitution, Article XVI, Section 17, the County Employees' Retirement Law of 1937, as amended, and other material laws applicable to it; and (vi) Investment Consultant shall comply with the IPS in providing investment consulting services.

Investment Consultant shall immediately notify MCERA in writing of any of the following matters: (1) Investment Consultant becomes aware that any of its representations, warranties and covenants set forth herein cease to be materially true at any time during the term of this Agreement; (2) there is any change in Investment Consultant's senior personnel assigned to perform services under this Agreement, or in Investment Consultant's key personnel within its organization; (3) there is any change in ownership or control of Investment Consultant; (4) Investment Consultant becomes aware of any other material change in its business organization, including without limitation, the filing for bankruptcy by Investment Consultant or any affiliate;

or (5) if any material client gives notice of intent, or requests, to terminate its consulting contract or similar relationship with Investment Consultant (for these purposes, a client is "material" if the value of its assets equals or exceeds 25% of the value of MCERA's assets).

To the extent permitted by applicable law, Investment Consultant shall promptly advise MCERA in writing of any material investigation, complaint, disciplinary action or other proceeding relating to or affecting Investment Consultant's ability to perform its duties under this Agreement or involving any consulting professional employed by Investment Consultant who has performed any service with respect to MCERA's account in the twenty-four (24) preceding months, which is commenced by any of the following: (A) the Securities and Exchange Commission of the United States ("SEC"), (B) the New York Stock Exchange, (C) the American Stock Exchange, (D) the Financial Industry Regulatory Association (FINRA), (E) any Attorney General or any regulatory agency of any state of the United States, (F) any U.S. Government department or agency, or (G) any governmental agency regulating securities of any country in which Investment Consultant is doing business. Except as otherwise required by law, MCERA shall maintain the confidentiality of all such information until the investigating entity makes the information public.

7. INVESTMENT CONSULTANT AS INDEPENDENT CONTRACTOR

Investment Consultant shall at all times be acting in the capacity of an independent contractor. This Agreement is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association as between MCERA and Investment Consultant. For all purposes, including but not limited to Workers' Compensation liability, Investment Consultant understands and agrees that all persons furnishing services on behalf of Investment Consultant pursuant to this Agreement are deemed employees of Investment Consultant and not deemed employees of MCERA.

8. SELECTION OF AGENTS

Investment Consultant shall select and monitor any agents or sub-contractors that perform any services under this Agreement consistent with the Fiduciary Standard.

9. AGREEMENT INTEGRATION

This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, undertakings, negotiations and discussions, both written and oral.

10. TERMINATION

Investment Consultant or MCERA may cancel this Agreement with or without cause upon thirty (30) calendar days' written notice to the other party. MCERA may terminate this Agreement immediately for Investment Consultant's material breach of the terms of, or its representations in, this Agreement upon written notice of such breach provided to Investment Consultant. Upon termination, MCERA agrees to pay Investment Consultant for all work authorized by MCERA and performed by Investment Consultant through the date of termination. Upon termination, and to the extent requested by MCERA, Investment Consultant shall cooperate with MCERA in good faith to effect a smooth and orderly transfer of services and

applicable records to the successor investment consultant. Within thirty (30) calendar days after this Agreement expires or otherwise terminates as provided above, the Investment Consultant (except as prohibited by recordkeeping requirements under the Advisers Act) shall deliver to the Board any and all records, reports, data and other information compiled by the Investment Consultant relating to the services performed under this Agreement from the commencement of the Agreement through the date of any such expiration or termination, which have not been previously provided to the MCERA.

11. RECORDS AND AUDITS

Investment Consultant shall keep and maintain all books and records related to the Agreement for such time period as required by the Investment Consultant's record retention policies and by applicable law, but in any event for no less than five (5) years after expiration or termination of the Agreement. Investment Consultant agrees that MCERA, or any of its duly authorized representatives shall have access to and the right to examine, audit, and copy any of the Investment Consultant's books, records, and other documents relating to MCERA, its assets, and performance of the Agreement at any time during the Term and for five (5) years after its termination or expiration. Upon reasonable request and notice, Investment Consultant shall make such records available during normal business hours at Investment Consultant's business office.

12. SOVEREIGN IMMUNITY

Investment Consultant acknowledges and agrees that MCERA and the Board reserve all immunities, defenses, rights or actions arising out of its status as a sovereign state or other public entity, including those under the Eleventh Amendment to the United States Constitution. No waiver of such immunities, defenses, rights or actions shall be implied or otherwise deemed to exist by reason of MCERA executing this Agreement, by any express or implied provision thereof, or by any actions or omissions to act by MCERA or any representative or agent of thereof.

13. INSURANCE

Without limiting Investment Consultant's defense and indemnity obligations under Section ___ of this Agreement, for the duration of this Agreement Investment Consultant shall provide and maintain at its own expense the insurance policies described in this Section 13 to cover Investment Consultant's operations and the services which Investment Consultant and its Agents perform pursuant to this Agreement. Such insurance shall be provided by insurer(s) rated A- or better by A.M. Best & Company, or otherwise approved in writing by MCERA. On or before the commencement date of this Agreement, evidence of such insurance shall be provided to the MCERA Retirement Administrator or their designee, in the form of a certificate of insurance and in the form of an endorsement to the policy(ies) and/or a copy of the policy(ies). The evidence of insurance specified above shall describe the nature, amount and term of the insurance provided, including the amount of all deductibles and self-insured retentions, and shall be provided on an annual basis as evidence of continuous coverage of the types and amounts of insurance provided for in this Section 13. In addition, all evidence of insurance shall specify this Agreement and Investment Consultant shall provide written notice of any material reduction or termination of any required policy of insurance if replacement coverage is not secured. Failure

to procure or maintain the insurance described in this Section 13 shall constitute a material breach upon which MCERA may immediately terminate this Agreement for default. This Section 13 shall survive the termination of this Agreement.

a. **Commercial General Liability.** Investment Consultant shall provide and maintain a commercial general liability insurance policy. Such policy shall cover legal liability for bodily injury, property damage, personal and advertising injury arising out of Investment Consultant's business operations and services provided under this Agreement. Such policy shall include contractual liability subject to policy terms and conditions, a limit of at least \$5,000,000 per occurrence and an annual aggregate of at least \$10,000,000. The commercial general liability coverage shall not contain any intra-insured exclusions as between insured persons or organizations and shall include coverage for the indemnity obligations under this Agreement.

b. **Workers' Compensation.** Investment Consultant shall provide and maintain throughout the term of this Agreement a program of workers' compensation insurance with statutory limits and employers' liability insurance with limits of not less than \$1,000,000 per accident covering all of Investment Consultant's employees.

c. **Crime Coverage.** Investment Consultant shall provide and maintain throughout the term of this Agreement a fidelity or financial institution bond policy with at least the following coverages:

- (1) Employee Dishonesty Coverage: \$10,000,000 per occurrence and in the aggregate.
- (2) Computer Systems Coverage: \$10,000,000 per occurrence and in the aggregate.

Such policy shall provide protection against loss by reason of fraud, theft or dishonesty on the part of Investment Consultant and/or its Agents.

d. **Errors and Omissions.** Investment Consultant shall provide and maintain an errors and omissions policy covering Investment Manager and its Agents for errors and omissions losses arising from the services which Investment Consultant provides pursuant to this Agreement. Such policy shall have a per-claim limit of at least \$5,000,000 and an annual aggregate of at least \$10,000,000.

e. **Cyber Risk.** Investment Consultant shall provide and maintain throughout the Term of this Agreement a cyber risk policy covering Investment Consultant and its Agents, which shall have a per claim limit of at least \$2,000,000 and an annual aggregate limit of at least \$5,000,000.

f. **Insurance Primary.** Investment Consultant's liability policies shall be primary to and not contributory with any insurance carried by MCERA, whose insurance will be considered excess insurance only.

g. **Waiver of Subrogation.** Investment Consultant hereby grants to MCERA a waiver of any right to subrogation which any of Investment Consultant's insurers may acquire by virtue of the payment of any loss under such insurance. Investment Consultant agrees to obtain any

endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not Investment Consultant has received a waiver of subrogation endorsement from the insurer.

14. FEES

Investment Consultant's fees for performance of the work as referenced in "Scope of Work" in Attachment A, is set forth in Attachment B. Except as otherwise provided in this Agreement, or as agreed to in an Amendment (as that term is defined below) to this Agreement, Investment Consultant shall not be paid any additional fees or other compensation for the services performed under this Agreement.

15. MEETINGS; TRAVEL AND EXPENSES

Investment Consultant shall meet with the investment committee of the Board, or the Board, at the bi-monthly investment committee meetings, and at such other times as the committee or Board requests, to review such matters as the committee or Board identifies. MCERA shall not be required to reimburse Investment Consultant for any travel expenditures incurred by Investment Consultant for its periodic or other attendance at any investment committee or Board meeting or Strategic Workshops of the Board.

16. PAYMENTS

Payment terms are set forth on Attachment B hereto.

17. APPLICABLE LAWS

The Agreement will be construed and interpreted under the laws of the State of California, as that law is applied to domiciliaries thereof, to the extent not preempted by applicable federal law.

18. INTERPRETATION

Captions and paragraph headings used in this Agreement are for convenience only and shall not affect in any way the meaning or interpretation of the terms of this Agreement. Each party hereto and its counsel have participated fully and equally in the review and negotiation of this Agreement. The language used in this Agreement shall be construed according to its fair and plain meaning. Any rule of construction that ambiguities or uncertainties in meaning are to be construed against the drafting party shall not apply to interpreting this Agreement or any of its terms.

19. CHANGES IN THE AGREEMENT

Any change to this Agreement shall be in writing in the form of an amendment mutually agreed upon and duly executed by both parties ("Amendment"). Investment Consultant's named representative shall be the point of contact with regard to contractual matters.

20. SEVERABILITY

If any portion of this Agreement is either held unenforceable for any reason or is modified pursuant to a subsequent written modification, the remaining terms of the Agreement shall remain in effect as set forth herein.

21. ASSIGNMENT

No assignment or transfer in whole or in part of this Agreement, and no delegation except as contemplated herein of any part or all of the performance of its duties hereunder, may be made by Investment Consultant without the prior written consent of MCERA, and any attempted assignment or delegation without such consent will be void.

22. WAIVER

Failure of one party to perform any part of this Agreement does not constitute a waiver of this Agreement or any provision therein. Failure of one party to require performance of any part of this Agreement does not constitute a waiver of that party's right to enforce performance at any subsequent time. Nothing in this Agreement shall in any way constitute a waiver of any rights that MCERA or its Board may have under applicable state and federal securities laws.

23. FORM ADV

Investment Consultant will provide to MCERA a true and correct copy of its disclosure statement, Form ADV, Part II, more than 48 hours prior to the date of the execution of this Agreement.

24. INVESTMENT CONSULTANT'S CLIENT LISTING DISCLOSURE

If Investment Consultant provides client services to investment managers in addition to consulting services to MCERA, Investment Consultant covenants to provide a complete list of its investment manager clients to MCERA prior to execution of this Agreement and no less frequently than quarterly, and otherwise upon request, thereafter.

25. VENUE AND JURISDICTION

Any claim arising out of this Agreement or otherwise relating to the services provided or performed by Investment Consultant to MCERA (irrespective of whether there are other parties to any such claim) shall be brought before, and shall be subject to the jurisdiction of, the superior courts of Marin County or the federal courts of the United States located in the Northern District of California.

26. CONFLICT OF INTEREST

Investment Consultant acknowledges that all MCERA Trustees and pertinent MCERA staff are bound by the conflict of interest prohibitions and reporting requirements set forth in California Government Code Section 87100 et. seq. concerning gifts, by the provisions of the Levine Act at Government Code Section 84300 et. seq. concerning campaign contributions, and by the provisions of California Government Code Sections 1090 et. seq. prohibiting any financial interest in a MCERA contract. In order that all Trustees and pertinent MCERA staff are able to participate in matters coming before the Board concerning service providers and to avoid conflicts of interest, Investment Consultant acknowledges that it is not allowed to make any political contributions, gifts, reimbursement of expenses or provide any other personal benefits exceeding \$250.00 in aggregate, in any twelve (12) month period to any Trustee, fiduciary, employee or consultant of MCERA. Donations of educational conferences, and similar educational events, must be made, if at all, to MCERA and not directed to any individual Trustee or other person. In addition, to the extent that food, beverages and other such gifts are provided

at such events, Investment Consultant shall quantify the value of the gifts per MCERA representative in attendance, and advise the Retirement Administrator of the same.

No officer, member, or employee of MCERA and no member of the MCERA governing bodies shall have any pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof. Investment Consultant shall not serve on a MCERA board, committee, or hold any such position which either by rule, practice or action nominates, recommends, or supervises Investment Consultant's operations, or authorizes funding to Investment Consultant.

Investment Consultant represents that all transactions consummated with any affiliate shall be on reasonable terms, generally no less favorable to MCERA than would be available if the transaction were between unrelated parties of similar size consummating a similar transaction.

27. INDEMNIFICATION.

Investment Consultant shall indemnify, defend and hold harmless the Board, MCERA, and its officers, fiduciaries (but excluding Investment Consultant), employees, and agents, from and against any and all claims, damages, losses, liabilities, suits, costs, charges, expenses (including, but not limited to, reasonable attorneys' fees and court costs), judgments, fines and penalties, of any nature whatsoever ("Claims"), arising from or relating to any bad faith, negligence, willful misconduct, improper or unethical practice resulting in a violation of a governing law, violation of any statute or regulation (including federal and state securities laws), infringement of intellectual property rights, breach of fiduciary duty, breach of confidentiality, breach of contract (including breach of this Agreement), or violation of any Legal Requirements (as that term is defined below) by Investment Consultant or any of its Agents in connection with this Agreement. This indemnification shall survive the termination of this Agreement.

28. KEY PERSONS.

Investment Consultant represents that the investment professionals identified on Attachment C (the "Key Persons") shall be primarily responsible for providing consulting services to MCERA. The Key Person(s) shall remain actively involved as the lead person(s) of the team performing services on behalf of Investment Consultant under this Agreement. Any proposal to change any Key Person shall first be approved by the Board. When any Key Person is no longer an active employee of Investment Consultant, Investment Consultant shall promptly inform the Board in writing and the Board shall have final approval over replacement of the Key Person. If MCERA terminates this Agreement within 90 days after MCERA receives such notice or otherwise learns of such cessation and has not approved a replacement, Investment Consultant shall reimburse MCERA for all reasonable costs incurred in transitioning the investment consulting services contemplated hereunder to a successor investment consultant.

29. CODE OF ETHICS.

Investment Consultant has adopted a Code or Codes of Ethics in compliance with applicable law and regulations, including without limitation Rule 204A-1 under the Investment Advisers Act of 1940. Investment Consultant shall provide copies of such Code(s) to MCERA promptly upon request. In the event of any conflict or inconsistency between the terms of this Agreement and such Code(s) of Ethics, the terms of this Agreement shall prevail and control.

30. COMPLIANCE WITH LEGAL REQUIREMENTS.

Investment Consultant shall comply with all applicable foreign, international, federal, state, county and local laws, regulations, ordinances, registrations, filings, approvals, authorizations, consents and examinations ("Legal Requirements"), and all provisions required by such Legal Requirements to be included in this Agreement are hereby incorporated by reference.

31. RESTRICTIVE AGREEMENTS.

For the purposes hereof, "Restrictive Agreements" means any noncompetition agreement, non-solicitation agreement, and any other agreement between Investment Consultant and any of its Agents, including, without limitation, those individuals responsible for providing consulting services to MCERA, whether entered into prior or subsequent to this Agreement, which purports to restrict any Agent whose working relationship with Investment Consultant terminates voluntarily or involuntarily ("Former Agent"), from soliciting investment consulting business or any other business from MCERA, or from entering into any contractual relationship with MCERA for investment consulting services or any other business purpose (collectively, "Business Activity"), by (1) prohibiting such Business Activity by the Former Agent for any period of time, (2) requiring the payment of money or other consideration by the Former Agent to Investment Consultant to enter into such Business Activity, or (3) requiring any other act or forbearance from action by the Former Agent in connection with such Business Activity.

Investment Consultant acknowledges that Restrictive Agreements infringe upon the Board's fiduciary duty to select investment consultants to advise MCERA with respect to retirement fund assets.

Investment Consultant agrees such Restrictive Agreements shall not be applicable to any Business Activity between MCERA and any Former Agent. Investment Consultant shall not enforce any such Restrictive Agreement against any Former Agent to the extent such Former Agent, for itself or as agent for another, engages in a Business Activity with MCERA.

32. MFN TREATMENT.

Investment Consultant shall ensure that the rights, benefits, preferences and privileges, including fee structure and access to investment opportunities, to which MCERA is entitled hereunder or which are otherwise made available to MCERA hereunder, are equal or superior to the rights, benefits, preferences and privileges, including fee structure and access to investment opportunities, that Investment Consultant offers or makes available to any other client, irrespective of client assets. In the event any other client of Investment Consultant acquires or enjoys, with respect to Investment Consultant, any right(s), benefit(s), preference(s) or privilege(s), including fee structure or access to investment opportunities, that is or are superior to those made available to MCERA hereunder, Investment Consultant shall promptly notify MCERA regarding the same and this Agreement shall be amended to the extent necessary to make such right(s), benefit(s), preference(s) or privilege(s), including fee structure or access to investment opportunities, available to MCERA.

33. NOTICES

The parties hereto agree that any notices and other communications on behalf of MCERA and/or the Board, on the one hand, and Investment Consultant, on the other hand, under this Agreement shall be made to the following individuals (whether verbally or in writing as applicable under the terms of this Agreement):

For MCERA and the Board:

Name: Jeff Wickman, Retirement Administrator

Phone:

Fax:

With a copy to: _____,

Phone:

Fax:

For Contractor:

Name:

Phone:

Fax:

With a copy to: _____,

Phone:

Fax:

34. CONFLICT OF INTEREST CODE AND PLACEMENT AGENT POLICY.

Investment Consultant agrees that all of its officers, employees and agents who participate in making decisions or recommendations with respect to MCERA shall comply with applicable federal, state and MCERA conflict of interest and placement agent disclosure requirements. Investment Consultant represents and warrants that it has received and read a copy of MCERA's (i) Conflict of Interest Code and (ii) Placement Agent Policy, and that it and all of its officers, employees and agents who participate in making decisions or recommendations with respect to

MCERA are in full compliance with such Code and Policy. Furthermore, such parties shall comply with the Code and Policy as each may be amended from time to time upon notification and delivery of any amendment by MCERA.

35. CONFIDENTIALITY.

a. Investment Consultant shall maintain the confidentiality of all records, data, and other information disclosed by MCERA or its agents to Investment Consultant and its agents relating to the MCERA investment program, MCERA assets and accounts, or the Agreement ("Plan Information"). For the avoidance of doubt, Plan Information shall include all reports created by the Investment Consultant for the Board and/or the MCERA plan under this Agreement. Any such reports that reference the MCERA investment portfolio or its assets shall be the property of the Board and shall be subject to the confidentiality provisions contained herein.

Furthermore, all information furnished by MCERA to the Investment Consultant under this Agreement shall be regarded as Plan Information by the Investment Consultant, unless written authority to the contrary has first been secured from the Board or MCERA staff, as applicable. The Investment Consultant shall not disclose Plan Information to any third parties (including its other clients) and shall maintain its confidentiality according to all applicable federal, state, county and local laws, regulations, ordinances and directives relating to confidentiality. The Investment Consultant shall inform all employees and agents performing services under the Agreement of the confidentiality provisions of this Agreement. Investment Consultant shall promptly notify MCERA of any breach of confidentiality or unauthorized access to or release of any such confidential information. Notwithstanding the foregoing paragraph, Investment Consultant may disclose such information as required by law and as requested in writing by MCERA. Investment Consultant may also disclose MCERA as a client of Investment Consultant upon written consent of MCERA.

b. Any information, records, analysis or documentation that Investment Consultant provides to MCERA ("Consultant Information") may be subject to public disclosure by MCERA. Investment Consultant hereby acknowledges that MCERA is a public agency subject to state laws, including, without limitation, (i) the California Public Records Act (California Government Code §7920, et seq.) (the "Public Records Act"), which provides generally that all records relating to a public agency's business are open to public inspection and copying unless otherwise exempted under the Public Records Act, and (ii) the Ralph M. Brown Act (California Government Code §54950, et seq.), which provides generally for open meetings for local legislative bodies. As a result, Investment Consultant agrees that if MCERA determines in good faith that it is required to disclose any Consultant Information, any such disclosure shall not constitute a breach of this Agreement.

36. SIGNATORIES

Each of the individuals whose signatures appear below represent and warrant that they have full authority to execute this Agreement on behalf of the party on whose behalf they have affixed their signature to this Agreement.

[NO FURTHER TEXT ON THIS PAGE]

**Marin County Employees' Retirement Association
Request for Proposal 2024-001
General Investment Consultant**

BY THE SIGNATURES affixed below, the above Agreement is hereby accepted as to all the terms and conditions.

**MARIN COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION**

By: _____
Jeff Wickman,
Retirement Administrator

Marin County Employees' Retirement Association
One McInnis Parkway, Suite 100
San Rafael, California 94903-2764

INVESTMENT CONSULTANT

By: _____

Address:

Attachment A **SCOPE OF WORK**

Investment Consultant shall advise the Board in developing and monitoring its investment program through education, evaluation, consultation, monitoring, and strategic analysis. The following is a description of the scope of work to be performed by Investment Consultant for MCERA during the term of the Agreement.

Strategic Planning

Investment Consultant will conduct asset allocation and liability studies, manager structure evaluations, develop and review investment policies and guidelines, and perform other strategic projects as needed.

Plan Implementation

Investment Consultant will perform all manager searches for MCERA. Investment Consultant will also assist with transition plans as needed, including the identification of appropriate transition managers.

Performance Reporting and Evaluation

Investment Consultant will prepare customized quarterly performance reports for MCERA detailing the performance of total fund, asset classes, and individual managers versus their stated objectives. The reports will show performance during multiple time periods, and will also include an analysis of risk and portfolio characteristics. Detailed performance attribution will be prepared as reasonably required. Investment Consultant shall work with Custodian to obtain appropriate data for these reports and shall maintain an adequate database of the performance of the Assets and investment manager performance.

Investment Fees

Investment Consultant shall provide market value and performance reconciliation and reporting and shall provide verification of management fees and expenses in accordance with applicable state laws, including without limitation California Government Code section 6254.26 and 7514.7.

Real Estate Consulting

Investment Consultant will assist MCERA in all aspects of the real estate program, including the development of strategic plans, manager selection and manager due diligence, performance evaluation, and other special projects as needed.

Private Equity Consulting

Investment Consultant will assist MCERA in all aspects of the private equity program, including the development of strategic plans, manager selection, performance evaluation, and other special projects as needed.

Manager Selection

Investment Consultant's services in manager selection shall include identification and assistance in selection of general partners, managers and funds (including, without limitation, overage and/or dedicated co-investment funds and any direct investments); legal document review and summary of legal and business terms in investment memoranda (and making Investment Consultant's personnel reasonably available to discuss the same); and monitoring and tracking of capital calls, distributions, in-kind distributions, fees, and similar matters. Investment Consultant shall be responsible for providing prudent recommendations for selection of investments and managers to the Board and its recommendations shall be supported by appropriate due diligence, analysis and evaluations provided in writing to the Board and its staff.

Custody Evaluation and Search

Investment Consultant will assist MCERA in the on-going review of their custody and trust services, as needed. This will include a triennial review of the services of the current Custodian and sub-custodian(s) and assistance with fee negotiations upon request. Investment Consultant will also assist MCERA with development, issuance and evaluation of comprehensive RFPs or RFQs for custody and trust search projects, as needed.

Board and Investment Committee Meetings

Investment Consultant shall regularly attend all Investment Committee meetings, and Board meetings upon reasonable advance request.

Education

Investment Consultant shall engage in ongoing consultation with the Investment Committee, Board and the Retirement Administrator on investment matters and shall keep the Investment Committee, Board, and Retirement Administrator informed of current developments regarding the investment markets (including regulatory aspects of these markets). Investment Consultant shall research public and private market investment topics, such as new investment vehicles, capital cash flows, asset class changes, and market trends, as requested by the Board. Investment Consultant will participate in each of MCERA's semi-annual Strategic Workshops and will present at those Workshops on investment topics reasonably agreed upon by MCERA and the Investment Consultant.

Attachment B
FEES

The annual fee for the scope of services listed in Attachment A will be \$_____ per year. Fees will be billed quarterly. MCERA will pay $\frac{1}{4}$ of the annualized fee each quarter, pro-rated for any quarter as to which this Agreement commences after the beginning of such quarter, or terminates prior to the end of such quarter.

All fees are quoted on a cash basis. Investment Consultant shall invoice MCERA at the end of each quarter, in arrears. MCERA shall make cash payments within thirty (30) days following receipt of invoice from Investment Consultant. Interest of 0.5% per month will be charged on all overdue balances.

Attachment C

Key Persons