

FORT WORTH EMPLOYEES' RETIREMENT FUND

3801 Hulen Street, Suite 101
Fort Worth, TX 76107

REQUEST FOR PROPOSAL (RFP)
FOR
INVESTMENT CONSULTING SERVICES



March 1, 2018



FORT WORTH EMPLOYEES' RETIREMENT FUND
INVESTMENT CONSULTING SERVICES RFP

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I. Introduction

The Fort Worth Employees' Retirement Fund ("FWERF") was established in 1945 as a defined benefit plan created for the exclusive purpose of providing retirement benefits for all full-time city employees, including general employees, police officers, and firefighters. The defined benefit pension serves approximately 6,600 active members and 4,400 retirees and beneficiaries. FWERF is qualified under Section 401(a) of the Internal Revenue Code and is subject to oversight from the Fort Worth City Council, the Texas State Legislature, and the State Pension Review Board.

The FWERF Board ("Board") is made up of thirteen Trustees, five of whom are appointed, seven are elected by the membership, and another is held by the Chief Financial Officer of the City of Fort Worth. The Board is charged with the primary responsibility of overseeing the administration of benefits and the investment of assets.

The powers and duties of the Board are set forth in state statutes, city ordinance and in the FWERF Administrative Rules. Title 109.6243i of the Texas Vernon's Civil Statutes authorizes, defines, and assigns responsibilities for operation of the municipal pension system to the City of Fort Worth, as plan sponsor, and to the FWERF Board, as plan fiduciary and administrator. The City of Fort Worth Code of Ordinances, Article VI Division I, establishes the contribution, benefits, and operational detail for the system.

II. Purpose

The Fort Worth Employees' Retirement Fund is soliciting proposals from qualified professional investment consulting firms to assist FWERF with strategic and tactical investment planning; investment manager due diligence; research and recommendations; market research; portfolio monitoring, performance measurement; asset allocation, risk management and compliance reporting. See **ATTACHMENT A** for portfolio as of December 31, 2017.

FWERF requests proposals for the following types of Investment Consulting Services:

- A. **General Investment Consulting Services** are consulting services on the aggregate portfolio, publicly-traded investment searches; investment policy and benchmarking; asset allocation; performance reporting and compliance monitoring; and periodic asset/liability studies.
- B. **Investment Consulting Services for Private Assets** are consulting services for direct investment in private equity, real assets, and private debt; pacing and liquidity planning; and terms negotiation.

Offeror(s) are invited to submit proposals for either or both of the above-mentioned categories *but should clearly identify the intended service offering(s) on the cover page of the submission*. The Offeror(s) selected shall be a fiduciary to FWERF and shall be subject to the indemnification and other provisions of **ATTACHMENT H** (Sample Professional Services Agreement) to the RFP.



III. Scope of Services – General Investment Consulting

FWERF's General Investment Consultant serves the Board and works closely with the staff of the Investment Team. The selected investment consultant should provide independent, objective and creative input to assist the Board in fulfilling its fiduciary responsibility as to the investing of FWERF assets and to maintain performance history for reporting and analysis. The General Investment Consultant is expected to attend one to two meetings per month in Fort Worth and one off-site Board retreat per year. See **ATTACHMENT A** for portfolio as of December 31, 2017.

The selected consulting firm is expected to provide the following services:

Policy:

- Provide recommendations concerning long-term investment policy and investment objectives and strategy.
- Provide annual policy review.
- Provide recommendations regarding investment guidelines on specific mandates.
- Provide recommendations concerning risk management strategies.
- Provide recommendations regarding policy benchmarks.
- Advise on rebalancing policies.

Asset Allocation and Portfolio Design:

- Conduct an annual asset allocation review.
- Conduct an asset/liability study at least every 4 to 5 years.
- Conduct structure studies at least every year.
- Provide asset class research, analysis and recommendations.

Investment Manager Oversight:

- Provide ongoing monitoring of institutional investment managers; compliance and performance.
- Provide research and analysis of FWERF's investment managers.
- Provide investment manager evaluation services and recommendations.
- Provide onsite manager due diligence for investment searches.
- Provide recommendations concerning investment manager allocation and structure, manager investment guidelines and benchmark identification.
- Provide investment manager fee negotiation services.
- Provide recommendations for investment manager transitions.

Performance Measurement and Reporting:

- Evaluate total portfolio investment performance to custom policy benchmark.
- Evaluate investment manager performance to policy benchmarks and appropriate peer groups.
- Provide monthly and quarterly performance measurement reporting.
- Provide quarterly performance review and commentary to the Board.
- Provide annual evaluation and attribution analysis.



- Provide benchmark evaluation, implementation and analysis.
- Provide review of portfolio risk.

Education and Client Services:

- Attend Board meetings and any other meetings as necessary. Participate in the annual Board Retreat when investment topics are on the agenda. See **ATTACHMENT B** for FWREF 2018 meeting dates.
- Coordinate effectively with FWREF's private asset consulting firms.
- Provide investment education to staff and the Board as needed.
- Provide assistance on special projects as needed.
- Communicate regularly with staff about workflow and any other operational issues between meetings.
- Develop educational materials.
- Respond to inquiries in an appropriate and timely manner.
- Share all firm research, including white papers, and provide access to research staff.
- Make no changes in the assigned consultant team without the explicit approval of FWREF.

Other Services:

- Provide access to analytical software and tools.
- Provide recommendations concerning securities lending strategies.
- Provide compliance monitoring of the securities lending program.
- Provide recommendations concerning custodial banking arrangements.

IV. Scope of Services – Private Asset Investment Consulting

FWREF's Private Asset Investment Consultant serves the Board and works closely with the staff of the Investment Team. The selected investment consultant should provide independent, objective and innovative input to assist the Board in fulfilling its fiduciary responsibility as to the investing of FWREF assets, within liquidity constraints, and to maintain performance history for reporting and analysis. The Private Asset Investment Consultant is expected to attend two semi-annual performance update meetings per year and attend meetings as necessary for manager selection in Fort Worth. See **ATTACHMENT A** for portfolio as of December 31, 2017.

The selected consulting firm is expected to provide the following services:

Private Asset Program

- Develop and recommend an alternative asset investment plan for a diversified portfolio that complements the risk and return profile of the total FWREF fund, consistent with FWREF's Investment Policy.
- Provide access to investment research, analysis tools, and modeling systems.
- Develop a sourcing, screening, and pacing strategy for institutional quality private assets.



Manager Research and Engagement

- Identify, analyze, and recommend direct managers (general partners) for private equity, real assets, and/or private debt investments.
- Conduct initial and on-going due diligence efforts for potential and existing private asset investments to include detailed reports, analysis, and executive summaries.
- Negotiate favorable deal terms on behalf of FWERF.
- Ensure alignment of interest between FWERF and direct managers; encourage adoption of ILPA principles for transparency and uniformity in disclosure of fees, expenses, and carried interest.

Performance Measurement and Reporting

- Monitor, measure and report alternative asset investment performance and attribution analysis.
- Provide quarterly reporting with various rates of return such as dollar weighted averages, market rates of return, equity multiples and internal rates of return.
- Present semi-annual performance review and commentary to the Board.
- Provide relevant risk management reporting and evaluation.

Education and Client Services

- Communicate and collaborate effectively with General Investment Consultant.
- Attend at minimum two Board meetings per year, additional attendance at meetings may be required for manager selection. See **ATTACHMENT B** for FWERF's 2018 meeting dates.
- Provide investment education to staff and Board as necessary.
- Communicate regularly with staff about workflow and other operational issues.
- Make no changes in the assigned consultant team without explicit approval from FWERF.

V. Proposal Participation, Completion and Submission Procedures

A. Minimum Qualifications and Certification

FWERF will accept proposals from firms that meet the minimum requirements listed below. The proposing firm should complete the Minimum Qualifications Certification (attached as *Attachment C*) and submit it with the cover letter.

General Investment Consultant:

1. At least 3 general investment consulting U.S. tax-exempt clients each with total defined benefit plan assets of at least \$2 billion as of 12-31-17.
2. At least 5 years of experience providing investment consulting services to U.S. tax-exempt clients each with total defined benefit plan assets of at least \$2 billion.
3. The individual(s) assigned to the FWERF account as the primary consultant must have a minimum of 10 years experience in the public/private defined benefit pension fund area.
4. Agree to act as fiduciary to the Fort Worth Employees' Retirement Fund.



5. Agree that a contract with FWERF will be governed by and construed in accordance with the laws of the State of Texas, and to be subject to the laws of the State of Texas with jurisdiction for any legal action to be brought in federal or state court of appropriate jurisdiction in the State of Texas, Tarrant County.
6. Currently registered as an investment advisor under the Investment Advisor Act of 1940.

Private Asset Investment Consultant:

1. At least 3 private asset consulting U.S. tax-exempt clients each with total defined benefit plan assets of at least \$2 billion as of 12-31-17.
2. At least 5 years experience providing private asset (private equity, private real assets, private debt) investment consulting to U.S. tax-exempt clients each with total defined benefit plan assets of at least \$2 billion.
3. The individual(s) assigned to the FWERF account as the primary consultant must have a minimum of 10 years experience in the public/private defined benefit pension fund area.
4. Agree to act as fiduciary to the Fort Worth Employees' Retirement Fund.
5. Agree that a contract with FWERF will be governed by and construed in accordance with the laws of the State of Texas, and to be subject to the laws of the State of Texas with jurisdiction for any legal action to be brought in federal or state court of appropriate jurisdiction in the State of Texas, Tarrant County.
6. Currently registered as an investment advisor under the Investment Advisor Act of 1940.

PLEASE COMPLETE THE MINIMUM QUALIFICATIONS CERTIFICATION (See Attachment C) and email to RFP@fwretirement.org by March 9, 2018.

B. Confidentiality

Information presented in this RFP, including all subsequently disclosed information about FWERF during the proposal process, is intended only for use in responding to this RFP and not for public disclosure.

C. Intention to Participate

Receipt by FWERF of the proposing firm's Certification of Minimum Qualifications will be accepted as the firm's intention to participate in the RFP.



D. RFP Submission

Please complete all questions in the order that they are presented in the Technical Proposal section of this RFP. Preface each response with the section number, question numbers and text of the question. Any additional comments or information may be provided as an Appendix.

The individual who is authorized to bind the investment consulting firm ("Proposer") contractually must sign a cover letter, which must accompany the firm's RFP response. This cover letter must indicate the signer is so authorized and must indicate the title or position that the signer holds in the Proposer's firm. **An unsigned cover letter shall cause the proposal to be rejected.** The cover letter must contain a statement that the firm acknowledges that all documents submitted pursuant to this request for proposal process will become a matter of public record. The letter must also contain the following:

1. The type of investment consulting service – General, Private Assets, or both – for which the Proposer is submitting the response.
2. The Proposer's name, address, e-mail, telephone, and fax number.
3. The Proposer's Federal Employer Identification Number and Corporate Identification Number, if applicable.
4. The name, title or position, email, and telephone number of the individual signing the cover letter.
5. A statement indicating the signature is authorized to bind the Proposer contractually.
6. The name, title or position, email, and telephone number of the primary contact and/or account administrator, if different from the individual signing the cover letter.
7. A statement to the effect that the proposal is a firm and irrevocable offer, good for six (6) months. Please attach a Fee Proposal as **Exhibit L** of your RFP response (A sample is provided as *Attachment E*).
8. A statement expressing the Proposer's willingness to perform the services as described in this RFP.
9. A statement expressing the Proposer's availability of staff and other required resources for performing all services and providing all deliverables within the specified time frames as described in the RFP.



E. Number of Copies of the Response

The response should be labeled “**2018 FWERF Investment Consulting Services Search.**” Please submit your proposal in the following media **one (1) full and complete electronic copy (in PDF readable format) via e-mail, four (4) complete hard copy sets (print double-sided), and one (1) DVD/CD ROM in PDF format** to:

Joelle Mevi, Executive Director and Chief Investment Officer
Fort Worth Employees' Retirement Fund
3801 Hulen Street, Suite 101
Fort Worth, TX 76107
RFP@fwretirement.org

The deadline for submission of your firm's proposal is **March 23, 2018 at 5:00 pm (CST).**

VI. Proposal Evaluation Criteria

FWERF will determine the specific methodology and criteria by which submitted proposals will be evaluated. Selection of finalists and determinations of compliance with the minimum qualifications is solely and exclusively within the judgment of FWERF and may be made solely on the basis of FWERF's evaluation of a candidate's suitability.

The following is a summary of the **general** considerations that will be used to determine the firms that will be selected as finalists:

- Understanding of FWERF, the FWERF IPS, and the thematic asset allocation
- Independence, objectivity, and innovation in approach to investment advising
- Organizational stability, depth of resources, and client-relevant experience
- Analytical tools, manager research, and client-accessible technology
- Performance and risk reporting
- Proposed Consultant Team
- Client and industry feedback
- Fee Schedule

Fees will be an important factor in the evaluation of investment consulting proposals. However, FWERF is not required to choose the lowest cost bidder. FWERF will select the firm that, in the Board's sole discretion, best serves the overall needs of the plan participants and beneficiaries.

VII. Insurance Requirements

The selected firm shall provide evidence of Professional Liability insurance with contractual liability coverage covering the Proposer's liability arising from errors and omissions made directly or indirectly during the duration of the contract. The selected firm shall provide coverage for the total limits actually arranged by the selected firm but not less than \$5 million combined single limit.

The selected firm shall maintain a Fidelity Bond covering employee dishonesty, in an amount arranged by the selected firm, but not less than \$3 million, per occurrence. In addition, the selected firm shall maintain workers compensation coverage.



The selected firm shall provide evidence of and maintain coverage for each of the following:

Professional Liability	≥ \$5,000,000
Commercial General Liability	
Blanket and Personal Injury	≥ \$1,000,00 per occurrence &
	≥ \$2,000,000 annual aggregate
Workers' Compensation	≥ \$1,000,000 per accident

VIII. Search Schedule (dates subsequent to March 23 are subject to change)

March 1, 2018	RFP released
March 9, 2018	Certification of Minimum Qualifications and Deadline for submission of questions
March 14, 2018	Responses to questions posted
March 23, 2018	Deadline for submission of proposals
April 20, 2018	Determination of semi-finalists
April 23 – 30, 2018	Conduct Semi-finalist interviews via Skype and Screen to finalists
May 14 – June 8, 2018	Due diligence visits
June 26 or 27, 2018	Finalist presentations to Board and Selection of Consultant by Board

IX. Technical Proposal

Please be as clear, accurate, and complete as possible in your responses. Providing incomplete or misleading data may lead to disqualification of the proposal and elimination of the firm from the search process.

A. Organization

1. Please provide a brief history of the firm including the year organized, the year the firm began providing investment consulting services to U.S. tax-exempt defined benefit clients.
2. Please provide details 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.
3. Does your organization receive revenue from investment management firms? Revenues within this request would include, among others, strategic consulting fees, conference fees, education fees, or fees from research including databases. Please identify the percent of the firm’s total revenues that is received from investment management firms.



4. Provide a breakdown of revenue by line of business in the table below. If your firm is an affiliate or subsidiary of an organization, state the percent of the parent firm's total revenue generated by your firm:

	% of Firmwide Revenue in last fiscal year	# of Clients
Revenue from general investment consulting		
Revenue from discretionary consulting		
Revenue from asset class specialty consulting		
Revenue from investment management		
Revenue from risk services		
Other revenue sources (specify)		
Total	100%	

5. Please provide an organization chart and list the total number of firm professionals, broken down by consultants, research professionals, and staff.
6. Please 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.
7. Please indicate which office would service this account, the names of the team members who would be assigned to this account and their contact information. Attach as **Exhibit A** biographies for these team members.
8. Complete the following table as it pertains to the team who would be assigned to this account:

Investment professionals assigned to team	# years general and/or private asset investment consulting experience:	# years tenure with your firm:	# of years consulting professionals have worked together as a team:

9. Please provide details on the financial condition of your firm. Most recent reports filed (for the last two years) with the SEC will be acceptable, but any recent material changes should be included.
10. Are you registered with the SEC or a state securities regulator as an investment adviser? If so, provide as **Exhibit B** all disclosures required under those laws (including Part I and II of Form ADV).



11. Has your firm ever been censured by the SEC or any regulatory body? If so, please describe.
12. Has your firm been subject to or is currently being reviewed/audited by the SEC or other regulatory agencies? If yes, please describe the nature of the investigation including any findings or recommendations.
13. Over the last five (5) years has the firm, the primary consultant being proposed for the FWERF account, or another 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.
14. Will your firm acknowledge fiduciary status and accept fiduciary responsibility for recommendations to FWERF?
15. State whether or not the employees comply with the Code of Ethics and Standards of Professional Conduct of the CFA Institute. If not, does your firm maintain a Code of Ethics? Attach as **Exhibit C** a copy of the firm's Code of Ethics.
16. Please disclose the nature of any relationship you now have or have had in the past five years with any FWERF Board member, staff member or investment manager.
17. Does your firm have a Diversity Policy? If so, please attach with **Exhibit C**.
18. List the dollar amounts of fiduciary liability insurance, errors and omissions insurance and bonding insurance carried by your firm, as follows:

Insurance carrier providing coverage	Type of coverage	Dollar amount

Please discuss the overall business objectives of your firm with respect to future growth. Comment on any present or planned areas of emphasis over the near future. Be sure to include in your response:

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

19. Please discuss your firms views on OCIO services including your views on the positive and negative aspects of this business model.



20. Complete the following table regarding consulting staff who left or joined your firm within the last three (3) years. Include anticipated personnel changes for the next year.

Name and title	Date terminated or hired	Reason
Left:		
Joined:		

21. Briefly describe your firm's compensation system for principal staff, and indicate what specific incentives are utilized to ensure key professionals do not leave the firm either as a group or individually. How does the firm tie client performance and satisfaction to a consultant's performance?

22. Describe your firm's disaster recovery plan.

B. Assets Advised

1. Complete the following table by providing the number of clients, assets under advisement for the firm's full-service retainer investment consulting relationships and the number of clients that have renewed their contract with your firm over each of the last three years. Please provide the data as of December 31st for all years.

	2017	2016	2015
Number of clients			
Assets under advisement			
Number of clients to renew contract			

2. Provide as **Exhibit D** a table listing the firm's current (12/31/17) investment consulting clients along with the following information:

- a. Name/Type of client (public plan, corporate plan, endowment, etc.)
- b. Total size of each relationship
- c. Assets on which you provide consulting services, by asset type and \$
- d. Length of service of the relationship
- e. One sentence description of the type of services you provide for each client
- f. Nature of the relationship (retainer or project-based)

3. Please 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 service, please indicate the reason for terminating service.



4. Please provide as **Exhibit E** the name, address, telephone number and contact person for three (3) current clients to serve as references for your firm, preferably public pension plans. Please detail name, primary contact, telephone number, email address, asset values, number of years the client has retained the firm and the product(s) or service(s) the client uses.

C. Investment Consulting Philosophy and Process

1. Briefly describe your firm's philosophy with respect to investment consulting engagements, 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?
2. Describe your firm's experience in developing and reviewing investment policies and strategies for clients.
3. How frequently does the firm recommend reviewing asset allocation, asset/liability reviews, and manager structure reviews and describe your firm's methodology. Please provide samples of an Asset Allocation Review and Asset/Liability Study as **Exhibit F**.
4. Provide your firm's most recent five (5) years of capital market assumptions (projected returns, volatilities, and correlations) in table format as **Exhibit G**.
5. What is the process your firm goes through to develop your capital market assumptions?
6. What is the range of target allocations which you are currently recommending to your public fund clients?
7. Describe your firm's views on the use of active and passive strategies.
8. Describe your firm's view on liquidity and what you recommend for a diversified public pension plan.
9. For Private Assets please detail the experience and team structure your firm has on advising distinct asset styles/structures that you advise.
10. For Private Assets, describe your firm's philosophy and experience with co-investments and secondary market transactions.
11. Describe your firm's views and experience in recommending smart beta and liquid alternatives strategies.
12. How does your firm assess risk in client's portfolios and what new methodologies are being considered? What are the appropriate metrics to review?



13. In your view, how should a client measure its investment consulting firm's performance? How does your firm measure its own performance?
14. Describe your firm's views on the structure of equity portfolios.
15. Describe your firm's views on performance-based fees.
16. Does your firm assist in fee negotiations with asset managers? Is your firm able to achieve better fee or term structures by aggregating client mandates?
17. Has your firm advised clients on thematic or roles-based asset allocation? Describe your firm's views on this approach to asset allocation.

D. Performance Measurement and Reporting

1. How does your firm monitor and analyze investment performance? Please describe any databases used by your firm. How do you determine appropriate benchmarks?
2. Please provide a sample performance report as **Exhibit H**. For Private Assets, please also provide sample reports for valuation, cash flow reconciliations, exposure, transparency, leverage, and fees.
3. Can the performance reports be customized? Are there charges for additional information requests?
4. What is the anticipated turnaround time to produce a performance report?
5. Describe how your firm obtains data from the client's Custodian. How does your firm verify the accuracy of the data received from the Custodian?
6. Describe the process and data needed to input historical Fund performance into your firm's system?
7. What is your firm's step by step process for manager return reconciliation? How will discrepancies be handled?
8. What process does your firm use to monitor and communicate performance issues to investment managers?
9. What are your firm's performance attribution capabilities? Can your firm generate a report containing attribution analysis at the total fund, asset class, and investment manager level?



10. Please describe your firm's risk management philosophy. How does your firm define risk(s)? What are the biggest risks your firm sees as it relates to public pension plans.
11. Please describe your firm's risk analytic platform and how clients are able to access and utilize the risk data and resources.
12. What does your firm view as the most relevant point of evaluation when analyzing total fund performance?
13. Does your firm have experience adopting oversight consulting on a legacy private asset portfolio? What challenges do you foresee in taking on advisement of a mature private asset program?

E. Research

1. Provide a listing of research generated during 2016 and 2017 with **Exhibit I**.
2. List notable publications that have included your firm's research.
3. Does your firm prepare white papers on relevant investment topics? Please provide a sample as **Exhibit I**.
4. Describe in detail the type and frequency of research that would be provided to FWERF. Through what media is it provided? Does the firm provide research reports other than those specifically requested by the client? If so, please describe.
5. For Private Assets, describe your firm's process for tracking the deal pipeline, program pacing, and liquidity calendaring. Please provide sample reports with **Exhibit J**.
6. What research and analytical resources (including databases) does your firm possess that would be made available to FWERF?
7. Provide a sample of your firm's annual outlook by strategic asset type (public or private), including attractive themes and "best ideas" with **Exhibit I**.

F. Manager Searches and Evaluation

1. Describe in detail your manager database and search process. Include the criteria used to make manager recommendations.
2. Describe your approach to working with client staff on investment manager searches, due diligence and final manager selection.
3. Describe the process how new investment managers are added into your database.



4. Please provide a sample of investment manager research or due diligence reports as **Exhibit K**.
5. How often are on-site due diligence visits conducted with your client's managers?
6. Provide as **Exhibit L** a sample of a "finals" report, or process memo, for a recently completed public markets search. For Private Assets, provide a sample limited partnership recommendation report.
7. What metrics are used to identify watch-list worthy managers? What process is employed to make specific investment hiring or firing recommendations to your clients?
8. Do you monitor your success in selecting managers? Explain how you measure the level of success of existing managers.

G. Other Information

1. Describe your firm's capabilities in providing educational opportunities for trustees and staff. Does your firm hold an annual investment conference for its clients? If so, describe.
2. Describe your firm's experience and ability to support client requirements relating to securities lending and custodial services.
3. Describe your custodial bank search process. Please include details such as criteria used for evaluating and ranking custodians.
4. Describe your transition manager search process. Please include details such as criteria used for evaluating and ranking transition managers.
5. Does your firm maintain an in-house database of custodial banks? How many banks are contained in the database? How often are custodial banks in the database reviewed?
6. Being effective at educating Board Trustees on new investment opportunities, products, and risk can be challenging. If your firm believed that adding a new investment idea would be beneficial to the portfolio, how would you approach getting the Board sufficiently comfortable with the investment recommendation?
7. Does your firm provide a web portal/access for clients? Please describe what functions are available via your portal including performance reporting, manager diligence, risk analytics, portfolio modeling, and exposure reporting.



H. Fee Proposal

1. Provide a fee proposal as **Exhibit M** for the services outlined in the Expected Service Level Requirements – See *Attachment D*. A fee proposal template is attached - See *Attachment E*.
2. Are you willing to guarantee your fees for a specific period of time? If so, for six months?
3. Are your fees negotiable?
4. What other potential costs might be incurred during the term of the contract?



ATTACHMENT A

Fort Worth Employees' Retirement Fund					
Theme/Asset Class	# of Mgrs	Implementation Benchmark	Target Allocation Benchmark	Target Allocation/ Sub-Alloc	Actual 12/31/2017
High Growth					
			MSCI ACW Index (net) + 3%	22%	
Private Equity	77	Cambridge US Privat Equity Index (1 qtr lag)		45%	\$ 267,073,263
Non-core Private Real Estate	17	NCREIF Property Index (1 qtr lag)		30%	\$ 106,436,029
High Growth Hedge Funds	3	MSCI ACW Index (net)		8%	\$ 50,412,564
Emerging Market Equity	1	MSCI Emerging Markets Index (net)		18%	\$ 61,519,799
Growth					
			MSCI ACW (net)	44%	
Global Equity	2	MSCI ACW IM Index and MSCI ACW Dvsfd Mult-Factor Index, (net)		48%	\$ 506,351,477
US Equity	2	Russell 2500 Growth Index and Russell 2000 Value Index, (net)		16%	\$ 164,405,557
Non-US Equity	2	MSCI ACW ExUS Index and MSCI ACW ExUS Small Cap Index, (net)		16%	\$ 173,037,926
Growth Hedge Funds	5	Growth Hedge Fund Custom Index*		8%	\$ 110,064,528
REIT	1	FTSE EPRA/NAREIT Developed Rental TR Index		4%	\$ 25,993,087
Emerging Market Debt	1	JPM EMBI Global Diversified Index (TR)		4%	\$ 41,060,356
High Yield Debt	1	HY Custom Index**		4%	\$ 47,761,282
Diversification					
			BofA ML 3 Mo US T-Bill Index + 3%	15%	
Diversifying Hedge Funds	9	50% HFRI Relative Value Index, 50% HFRI Macro Index		100%	\$ 218,366,959
Capital Preservation					
	3	Bloomberg US Agg Bond Index	Bloomberg US Agg Bond Index	10%	\$ 338,952,329
Inflation					
			Consumer Price Index + 4%	8%	
Private Core Real Estate	4	NCREIF ODCE Index (AWA) (net)		65%	\$ 108,746,503
Commodities	1	Bloomberg Commodity Index (TR)		15%	\$ 26,466,057
MLP	1	S&P MLP Index (TR)		20%	\$ 36,503,557
Liquidity					
			BofA ML 3 Mo US T-Bill Index	1%	\$ 37,173,035
					\$ 2,320,324,308
* Growth Hedge Fund Custom Index = 50% HFRI Equity Hedge Index + 50% HFRI Event Driven Index.					
** HY Custom Index = 100% Bloomberg US Unv Bond Index through March 2017, HY manager's actual performance during April 2017, and 100% Bloomberg US Corp Hi Yld Index thereafter.					



ATTACHMENT B

FWERF 2018 Investment Committee and Board Meeting Dates

January '18						
Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

February '18						
Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

March '18						
Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

April '18						
Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

May '18						
Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

June '18						
Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

July '18						
Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

August '18						
Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

September '18						
Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

October '18						
Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

November '18						
Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

December '18						
Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Monthly Board Meetings
Disability Committee Meetings
Holidays
Joint Meeting(s)
Strategic Planning Retreat
TEXPERS



ATTACHMENT C

MINIMUM REQUIREMENTS CERTIFICATION

The undersigned Proposer hereby represents and warrants to FWERF as follows:

General Investment Consulting

1. Proposer is an investment advisor registered under the Investment Advisors Act of 1940.
2. Proposer has a minimum of five years experience providing investment consulting services to U.S. tax-exempt clients with total defined benefit plan assets of at least \$2 billion as of Dec. 31, 2017.
3. Proposer provides investment consulting services to at least three public retirement system defined benefit clients each with assets greater than \$2 billion as of Dec. 31, 2017.

Name(s) of client(s): _____

4. The primary consultant assigned to FWERF account has a minimum of ten years experience providing investment consulting services to public/private defined benefit pension plans.

Name of the primary consultant: _____

Number of years of experience: _____

5. The Proposer agrees to comply with all applicable Texas laws, and to be subject to the laws of Texas and the jurisdiction of its court system in the administration of the contract governing this business relationship.
6. If awarded the contract, the Proposer will serve as a "fiduciary" with respect to FWERF.

PROPOSER'S NAME: _____

Signed:

Date:



ATTACHMENT C (continued)

MINIMUM REQUIREMENTS CERTIFICATION

The undersigned Proposer hereby represents and warrants to FWERF as follows:

Private Asset Investment Consulting

1. Proposer is an investment advisor registered under the Investment Advisors Act of 1940.
2. Proposer has a minimum of five years experience providing private asset (private equity, private real assets, private structured debt) direct investment and due diligence consulting to a U.S. tax-exempt client with total defined benefit pension plan asset of at least \$2 billion as of Dec. 31, 2017.
3. Proposer provides investment consulting services to at least three public retirement system defined benefit clients each with assets greater than \$2 billion as of Dec. 31, 2017.

Name(s) of client(s): _____

4. The primary consultant assigned to FWERF account has a minimum of ten years experience providing investment consulting services to public/private defined benefit pension plans.

Name of the primary consultant: _____

Number of years of experience: _____

5. The Proposer agrees to comply with all applicable Texas laws, and to be subject to the laws of Texas and the jurisdiction of its court system in the administration of the contract governing this business relationship.
6. If awarded the contract, the Proposer will serve as a "fiduciary" with respect to FWERF.

PROPOSER'S NAME: _____

Signed: _____

Date: _____

PLEASE RETURN WITH COVER LETTER



ATTACHMENT D

EXPECTED MINIMUM SERVICE LEVEL REQUIREMENTS

1. For General Investment Consulting, attendance at monthly FWERF meetings; Investment Committee and/or Full Board. For Private Asset Investment Consulting, attendance at minimum of two Board meetings per year, additional attendance at meetings may be required for manager selection. A schedule of Board and Investment Committee meetings is included as ***Attachment B***.
2. Timely delivery of quarterly investment performance reports.
3. Preparation and presentation of an annual Asset Allocation study and annual Manager Structure Review (General Investment Consultant proposers only).
4. Preparation and presentation of an Asset/Liability Study at least every four to five years (General Investment Consultant proposers only).
5. Willingness to take on additional duties (i.e. City Council or State Legislature presentations, due diligence on managers outside of Consultant's database, etc).
6. Presentation and delivery of an annual commentary letter for inclusion in FWERF Comprehensive Annual Financial Report (General Investment Consultant proposers only).



**ATTACHMENT E
FEE PROPOSAL**

The contract term is expected to be eight (8) years with two (2) possible one-year extensions issued at the discretion of FWERF. Proposed fees must include travel and all expenses.

Proposer should submit an annual fee for all services - denoted by general investment consulting, private asset investment consulting, or both - as follows:

1) All-inclusive fees August 2018 – August 2026: \$ _____ per annum

2) Separately priced services (i.e. asset/liability studies, due diligence on manager outside of consultant database): \$ _____

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

Applicable Contract Terms:

Consultant shall present a quarterly invoice to the Executive Director for its services performed in the previous quarter. The Executive Director shall authorize payment of such invoice according to the Board's instructions within forty-five (45) days following receipt thereof. Upon termination of this Agreement, the appropriate fee for any partial quarter will be determined by applying the ratio of days elapsed in the calendar quarter to the total number of days in the quarter multiplied by the regularly computed full quarterly fee.

PLEASE RETURN AS EXHIBIT L



ATTACHMENT F

FWERF Placement Agent Payment Disclosure Policy

I. Purpose

The Board of Trustees of the Fort Worth Employees' Retirement Fund recognizes that investment managers, in both the public and private markets, use placement agents and third-party marketers to assist in raising capital. In order to preserve the independence and integrity of the Fort Worth Employees' Retirement Fund, the Board of Trustees of the Fort Worth Employees' Retirement Fund has determined that it is in the best interest of the Fort Worth Employees' Retirement Fund to require that investment managers with which it does business disclose any such relationships. This Policy is designed to prevent conflicts of interest, or the appearance of conflicts of interest, in the Fort Worth Employees' Retirement Fund's investment decision-making process, and to ensure that investment decisions are made solely on the merits of the investment and in a manner consistent with the Board of Trustees' of the Fort Worth Employees' Retirement Fund fiduciary duties.

II. Definitions

"Benefit" means a reference to any money, thing of value, or economic benefit conferred on or received by a person or business for the purposes specified in this policy. The term does not include meals or other things of insignificant value.

"Board" means the Board of Trustees of the Fort Worth Employees' Retirement Fund.

"Fund" means the Fort Worth Employees' Retirement Fund.

"Investment Consultant" or **"Consultant"** means persons or firms who are contractually retained by the Fund to provide advice to the Fund on investments, Investment Manager selection and monitoring, and other services.

"Investment Manager" means an asset management firm that is seeking to be, or has been, retained by the Fund to manage a portfolio or assets, including limited partnership structures, for a fee.

"Placement Agent" means any person or entity hired, engaged, retained by, acting on behalf of an Investment Manager or third-party marketer as a finder, solicitor, marketer, consultant, broker, or other intermediary to raise money or investment from, or attain access to, the Fund directly or indirectly, including through an investment vehicle.



ATTACHMENT F (continued)

“Placement Agent Disclosure Letter” or “Letter” has the meaning set forth in Exhibits A-1 and A-2.

III. Application

This Policy applies to all agreements with Investment Managers that are entered into after the date this Policy is adopted. This Policy also applies to existing agreements with Investment Managers if, after the date this Policy is adopted, the term of the agreement is extended, there is any increased commitment of funds pursuant to the existing agreement, or there is an amendment to the substantive terms of an existing agreement, including the fees or compensation payable to the Investment Manager.

IV. Form of Disclosure

The Investment Manager shall provide a Placement Agent Disclosure Letter addressing all requirements specified in Exhibit A-1 and, if a General Partner of a Limited Partnership as specified in Exhibit A-2.

V. Notification

Fund staff or the Investment Consultant will provide the Investment Manager with this Policy and the Placement Agent Disclosure requirements when full due-diligence review of potential investment begins and will request that a Placement Agent Disclosure Letter from the Investment Manager be submitted before the end of the screening process.

VI. Submission of Placement Agent Disclosure Letter

The Investment Manager will be required to submit the Placement Agent Disclosure Letter to the Fund before the end of the screening process. In the event that due diligence is accelerated to accommodate closing timelines, the Executive Director may permit the Placement Agent Disclosure Letter to be delivered prior to the closing date of the investment transaction. The Placement Agent Disclosure Letter will be included as an essential part of the closing record.

VII. Failure to Comply with Placement Agent Disclosure Letter Requirement

- A. In the event that the Investment Manager fails to comply with the Placement Agent Disclosure Letter requirement, or makes a material misstatement or omission in such Letter, the Fund shall have the option, in its sole discretion, to terminate its investment relationship with the Investment Manager in accordance with the contract terms between the Investment Manager and the Fund.
- B. In each case, termination of the relationship shall occur either immediately or on such date as the Fund shall, in its sole discretion, specify.
- C. The Fund will have the sole right to determine whether a misstatement or omission by an Investment Manager is material.



- D. Any investment management or limited partnership agreement between the Fund and an Investment Manager may be terminated by the Fund pursuant to this policy without penalty to the Fund.



ATTACHMENT F (continued)

Exhibit A-1

Placement Agent Disclosure Letter Requirements (Investment Managers):

The Investment Manager shall deliver a written document (the "Placement Agent Disclosure Letter") to the Fund which contains a representation that:

1. if the services of a placement agent were not used:
 - a. a representation that the Investment Manager did not use the services of a Placement Agent, registered lobbyist, or other intermediary to assist the Investment Manager in obtaining investments from the Fund, or otherwise doing business with the Fund, whether compensated on a flat fee, a contingent fee, or any other basis; and
 - b. a representation that no Benefit has been paid, given, or promised to any of the Fund's consultants or advisors (including any person reasonably believed to be an officer, director, or employee of the Fund) for the purpose, or with the effect, of obtaining (i) an introduction to the Fund or any officer or employee of the Fund, or other assistance in obtaining business from the Fund, or (ii) a favorable recommendation with respect to the investment transaction.
2. if the services of a Placement Agent were used:
 - a. a representation that a Benefit has been paid to assist the Investment Manager in obtaining investments from the Fund, or otherwise doing business with the Fund. The Investment Manager shall also disclose (i) a description of the transaction and the reason for the engagement of the Placement Agent; (ii) the purpose for the Benefit; and (iii) the amount of the Benefit or the nature of the Benefit; and
 - b. a representation that all information contained in such Letter is true, correct, and complete in all material respects.

Notwithstanding anything to the contrary contained in the investment management agreement, the Investment Manager understands that the Fund may be required under the Texas Public Information Act to disclose the information contained in the Placement Agent Disclosure Letter to the public.

In the event that the Fund does not receive the Placement Agent Disclosure Letter prior to closing, the Fund has the option, in its sole discretion, not to execute the investment management agreement. If the Fund determines that the Placement Agent Disclosure Letter contains a material inaccuracy or omission, the Fund shall have the option, in its sole discretion and without liability to the Investment Manager or any third party, to terminate the investment management agreement and to pursue all remedies that may otherwise be available to the Fund without incurring any penalty under any agreement to which it is a party.



ATTACHMENT F (continued)

Exhibit A-2

Placement Agent Disclosure Letter Requirements (Limited Partnerships):

The General Partner of the Limited Partnership shall deliver a written document (the "Placement Agent Disclosure Letter") to the Fund which contains a representation that:

1. if the services of a Placement Agent were not used:
 - a. a representation the General Partner did not use the services of a Placement Agent, registered lobbyist, or other intermediary to assist the General Partner in obtaining investments from the Fund, or otherwise doing business with the Fund, whether compensated on a flat fee, a contingent fee, or any other basis; and
 - b. a representation that no Benefit has been paid, given, or promised to any of the Fund's consultants or advisors (including any person reasonably believed to be an officer, director, or employee of the Fund) for the purpose, or with the effect, of obtaining (i) an introduction to the Fund or any officer or employee of the Fund, or other assistance in obtaining business from the Fund, or (ii) a favorable recommendation with respect to the investment transaction.
2. if the services of a Placement Agent were used:
 - a. a representation that a Benefit has been paid to assist the General Partner in obtaining investments from the Fund, or otherwise doing business with the Fund. The General Partner shall also disclose (i) a description of the transaction and the reason for the engagement of the Placement Agent, (ii) the purpose for the Benefit; and (iii) the amount of the Benefit or the nature of the Benefit; and
 - b. a representation that all information contained in such Letter is true, correct, and complete in all material respects.

The General Partner may omit from the Placement Agent Disclosure Letter fees and expenses paid to its legal counsel and accountants in connection with the organization of any Partnership and the offering of limited partner interests therein, provided that such legal counsel and accountants have not also represented the Investor in connection with its investment in the Partnership and have not been involved in any form of solicitation relating to the Fund. The General Partner understands that the Fund may be required under the Texas Public Information Act to disclose the information contained in the Placement Agent Disclosure Letter to the public.

In the event that the Fund does not receive the Placement Agent Disclosure Letter before closing, the Fund has the option, in its sole discretion, not to close the investment transaction. If the Fund determines that the Placement Agent Disclosure Letter contains a material inaccuracy or omission, the Fund shall have the option, in its sole discretion and without liability to the Partnership, General Partner, any Limited Partner, or any third party, to cease making further capital contributions, other contributions, and/or direct payments to the Partnership and to pursue all remedies that may otherwise be available to the Fund without being deemed to be a defaulting



Limited Partner under the Partnership Agreement and without incurring any other penalty under any agreement to which it is a party.



ATTACHMENT G

FWERF Investment Consulting Services Request for Proposal

SUBMISSION CHECKLIST

Item	Included in RFP Response
Cover Letter and Minimum Qualifications Certification <i>Clearly indicate proposed consulting service: General, Private Asset, or both</i>	
Answers to all Questions in Technical Proposal	
Exhibit A – Biographies of Proposed Team Members	
Exhibit B - Form ADV (Part I & II)	
Exhibit C – Copy of Proposing Firm’s Code of Ethics and Diversity Policy	
Exhibit D – List of Current Clients	
Exhibit E – Public Fund References (three)	
Exhibit F - Copy of Asset Allocation Review and Asset/Liability Study	
Exhibit G - Five Years of Capital Market Assumptions	
Exhibit H – Sample Performance Report	
Exhibit I - Sample White Paper/Research Report & List of Research Generated in 2016 & 2017 Sample deal pipeline, pacing & liquidity calendar reports. Sample of firm’s annual outlook & best ideas.	
Exhibit J – Sample of Investment Manager Research/Due Diligence Report	
Exhibit K – Sample of “Finals” Report/Process Memo for Recent Public Markets. AND/OR sample limited partnership recommendation memo.	
Exhibit L – Fee Proposal	



ATTACHMENT H

SAMPLE Professional Services Agreement

The following Exhibit will become part of, as if in the Agreement, a broader Investment Consulting Agreement to be negotiated by both parties.

THIS IS THE EXHIBIT ("EXHIBIT") to the Investment Consulting Agreement (the "Original Agreement") by and between _____, organized as a corporation under the laws of _____ and doing business at _____ ("Consultant") and the EMPLOYEES' RETIREMENT FUND OF THE CITY OF FORT WORTH d.b.a. the FORT WORTH EMPLOYEES' RETIREMENT FUND ("Fund") entered into between the parties on _____, 2018.

SCOPE OF SERVICES

Subject to any written investment policy or policies established by the Board, Consultant shall provide pension consulting services, including, but not limited to, the following:

- 1) Conduct an asset /liability study every three years and annually review and make recommendations pertaining to the Fund's asset allocation. Prepare a cash flow analysis and develop a rebalancing strategy to assist staff in meeting negative monthly cash flow needs and keep asset allocation on target.
- 2) Develop long term strategic asset allocation guidelines that take into consideration the opportunities available in the capital markets, current legal constraints and the Fund's tolerance for risk. Such guidelines will be developed with staff for the review and approval of the Board, and not for automatic implementation.
- 3) Annually review and if necessary, propose revisions to the Statement of Investment Policy that defines investment guidelines (e.g. levels of risk, diversification, return targets and asset allocation) and overall investment objectives.
- 4) Annually, and otherwise as needed, evaluate the current investment portfolio structure in the context of the investment policies and objectives developed.
- 5) As part of the annual asset allocation review process, construct and propose to the Board appropriate changes to the investment portfolio model to achieve the Fund's objectives:
 - a) Evaluate "macro-management" strategies, including, but not limited to, active and passive techniques and core and specialty approaches to diversification;
 - b) Analyze alternative investment classes from the overall standpoint of asset allocation including, but not limited to, private equity, real estate, hedge funds, and portable alpha strategies;
 - c) Work with staff to recommend to the Board the investment styles and strategies to be represented and the appropriate number of investment managers to be utilized.
- 6) Review and evaluate each existing investment manager at least quarterly and work with staff on recommendations regarding retention or replacement.
- 7) Work with staff in conducting searches as needed to identify and evaluate investment managers



and make recommendations to the Board.

- 8) Annually review investment guidelines for current investment managers and prepare written guidelines for the Board's approval which include risk and return expectations for new investment managers when hired. Assist staff in ensuring that the guidelines are adequately reflected in each manager's contract, and periodically review manager holdings to ensure that guidelines are being properly followed.
- 9) Monitor the investment performance by individual investment manager, by asset class, and for the total fund, and compare to established benchmarks on a monthly basis. The total fund benchmark shall be a custom benchmark constructed of applicable asset class benchmarks weighted according to the fund's asset allocation targets. Non- publicly traded assets will be benchmarked based upon comparable proxies agreed upon between the Consultant and Executive Director.
- 10) On a quarterly basis, compare and rank total fund performance against a universe of other large pension funds (public and private) and compare and rank individual investment managers against groups of managers with similar investment styles.
- 11) Monitor the characteristics of individual investment accounts over time. Discuss any style drift or performance issues with the investment manager and staff as necessary.
- 12) Provide a detailed attribution analysis to the Board on an annual basis to assess the "value added" by investment managers in their pursuit of investment strategies including, but not limited to, strategies such as market timing, stock selection, sector allocation, interest rate anticipation, coupon, fixed income asset selection and trading. Attribution categories will vary depending on each manager's investment strategy and holdings.
- 13) On an annual basis examine and make recommendations to the Board, if necessary, regarding trading costs, soft dollars, discounted fees, commissions and similar arrangements.
- 14) Upon request, provide assistance to the staff in the preparation of periodic reports for publications authorized by the Board.
- 15) Provide reasonable access to the Consultant's employees by Board members, the Executive Director and the Fund's staff.
- 16) Appear, as necessary, before city, county, state and/or federal governmental boards or courts of law to provide expert testimony. The fees for such services are not included in this Agreement and will be subject to future agreement by both parties.
- 17) Provide an informational/research facility for the Board, the Executive Director and the Fund's staff, including "white papers" and the opportunity for attendance at Consultant's seminars.
- 18) Annually analyze the Fund's financial condition and update investment objectives to reflect changes in the capital markets and national global political and economic developments that have bearing or otherwise affect the Board's investment guide lines.
- 19) Assist staff in making on-site visits to individual investment managers as needed or as requested, and prepare a written evaluation and report for the Board pertaining to any such visits.



- 20) Conduct due diligence monitoring and/or review of investment managers. Conduct on-site visits of managers as needed. Provide periodic review of investment manager fees with recommendations for action to be taken to ensure appropriate fee structure. Provide advice in the planning, oversight and review of asset transitions among investment managers and investment vehicles.
- 21) Provide any other reports as agreed by the parties.
- 22) Recommendations and analysis upon which the Board may reasonably be expected to take action must be delivered to staff no less than one week prior to the Board meeting so that all Board members have adequate time to review the material. Recommendations will be supported by quantitative and qualitative analysis and upon request, confirmed in writing by Consultant. At no time shall certificates or any other indicia of investment ownership be transferred, routed or sent to or through Consultant by the Fund's Custodian. Any recommendations by the Consultant not to diversify investments of the Fund and the reasons therefore shall be detailed in writing to the Board by Consultant. In connection with the replacement or selection of investment managers and investment of allocations of such retirement contributions as well as undistributed income, the Consultant shall provide written documentation in summary form upon which its investment recommendations have been based, which documentation shall be given to staff at least six (6) working days prior to the meeting at which the Board will consider such recommendations. Furthermore, in connection with the selection and replacement of investment managers, Consultant shall arrange for a presentation in person by an official of such investment manager that is acceptable to the Board. Consultant shall be required to attend regular monthly meetings of the Investment Committee of the Board and at such additional times as reasonably requested by the Board.

COMPENSATION

Subject to Section XX of this Agreement, for the term of this Agreement the Board shall pay Consultant an annual fee of \$_____ for consulting services rendered subsequent to _____, 2018. The fee shall be payable in arrears in four (4) equal quarterly installments. Other than the aforementioned annual fee, the Consultant shall not receive from any party commissions of any kind, directly or indirectly, in connection with the investment of Fund assets or any other services performed under this Agreement.

Consultant will also be paid \$_____ for (additional services as provided for in RFP).

Consultant shall present a quarterly invoice to the Executive Director for its services performed in the previous quarter. The Executive Director shall authorize payment of such invoice according to the Board's instructions within forty-five (45) days following receipt thereof. Upon termination of this Agreement, the appropriate fee for any partial quarter will be determined by applying the ratio of days elapsed in the calendar quarter to the total number of days in the quarter multiplied by the regularly computed full quarterly fee.



IN WITNESS WHEREOF, the parties hereto acknowledge that they have read and understand this EXHIBIT, and agree to be bound by all terms, conditions, and provisions of the Agreement and this EXHIBIT, as indicated by their signing of this EXHIBIT. The undersigned are the duly authorized representatives of the Fund and of the Consultant with all of the necessary authorization to execute this contract. It shall not be necessary that the signature of all persons required appear on each counterpart. All counterparts shall collectively constitute a single instrument. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the intent of the party or the signatures thereon and thereafter attached to another identical counterpart. Images of the handwritten signatures of any party on this EXHIBIT evidenced and transmitted by electronic means (including email, facsimile, or similar transmission) shall be deemed effective for all purposes. The effective date of this EXHIBIT will be the latest date affixed to the EXHIBIT by a signatory party.

FORT WORTH EMPLOYEES' RETIREMENT
FUND

By: _____ By: _____

Print Name: _____ Print Name: _____

Title: _____ Title: _____

Dated: _____ Dated: _____

Attest: _____
Secretary



ATTACHMENT I

**STATEMENT OF INVESTMENT
OBJECTIVES AND GUIDELINES**

Fort Worth Employees' Retirement Fund

Revised January 24, 2018