

**FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
("FCERA")**

REQUEST FOR PROPOSALS ("RFP")

FOR

GENERAL INVESTMENT CONSULTANT SERVICES

TIMELINE

RFP issued	Aug. 10, 2018
Deadline to submit written questions	Aug. 20, 2018
Issuance of responses to questions	Aug. 24, 2018
Deadline to submit Intent to Bid (<i>optional</i>)	Aug. 29, 2018
Deadline to submit Proposals	Sept. 10, 2018 at 5pm (ET)

Tentative dates:

Due Diligence Committee On-Site Visits to Finalist Firms	Jan. 2019
Interviews with Finalists/Board approval of successful bidder	Feb. 20, 2019

FCERA will make a good faith effort to follow the above timeline, but reserves the right to amend it. Any amendments to the RFP will be posted on the FCERA website. Proponents are solely responsible for checking the website for any amendments to the RFP.

CONTACT PERSON

Questions regarding this Request for Proposals should be directed to Jenny Tam ("Contact Person") at Cortex Applied Research Inc. ("Cortex"). Cortex is a consulting firm retained by FCERA to assist with the search process. Contact details for Jenny Tam are (416) 967-0252 ext. 233 or jtam@cortexconsulting.com.

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SECTION I: BACKGROUND & NATURE OF SERVICES REQUIRED

A. Introduction

FCERA is soliciting proposals from qualified professional investment consulting firms to provide general non-discretionary investment consulting services.

B. About FCERA

FCERA is a multiple employer, defined benefit, retirement system serving approximately 17,600 employees and retirees of five participating government agency employers. Located in Fresno, California, FCERA is established and governed under applicable federal law, the provisions of the County Employees' Retirement Law of 1937 (the '37 Act, California Government Code, §§ 31450-31898), the California Pension Protection Act of 1992 (California Constitution, Article 16, § 17), and the California Public Employees' Pension Reform Act of 2013 (PEPRA, California Government Code, §§ 7522-7522.74). FCERA has over \$4 billion in assets in trust for the benefit of members. FCERA currently has five plan sponsors and a staff of 34 employees. In addition to the administrative office, the organization has three divisions: Benefit Services, Accounting, and Information Technology.

The plan uses the services of a non-discretionary general investment consultant, non-discretionary alternatives (hedge fund) consultant, discretionary private equity consultant, discretionary private credit consultant, and an actuarial consulting firm. FCERA hires professional money managers for specific mandates consistent with the asset allocation policy detailed in the Investment Policy Statement (currently under review and set for revision on September 5, 2018). The Plan's master custodian and distribution processor is The Northern Trust Company. Brown Armstrong Accountancy currently serves as FCERA's independent external audit firm. Brown Armstrong provided their unmodified opinion on the financial statements as of June 30, 2017. Member information is stored and processed on a hosted pension administration database and a separate software application is used for general ledger accounting. Contributions to the plan are processed by participating employers (plan sponsors) and are remitted within 14 days after the close of the pay period. Administrative functions, such as payroll and personnel, are through the County of Fresno.

FCERA is administered by a Board of Trustees. The Board is composed of nine (9) members and one (1) alternate. There are four (4) standing committees and one (1) ad-hoc committee, all comprised of members of the Board, which periodically meet and report to the Board.

For general information about the FCERA, please visit <https://fresnocountyretirement.org/>.

C. Investment Program

As of March 31, 2018, FCERA manages a public defined benefit fund (“the Fund”) with assets of over \$4.6 billion. The asset allocation and targets are shown below.

Asset Class	Actual Allocation	Former Target Allocation	Revised Target (36 mo.)
Domestic Equities	18.0%	17%	25%
International Equity	19.2%	19%	24%
Global Fixed Income	32.9%	31%	23%
Real Estate	4.7%	5%	5%
Hedge Funds	7.0%	8%	6%
Private Equity	3.4%	6%	6%
Private Credit	3.3%	8%	8%
Commodities	2.9%	3%	0%
Infrastructure	3.1%	3%	3%
Cash* and Equivalents	3.0%	0%	0%
Other	2.5%	0%	0%
Total	100%	100%	100%

* FCERA has a cash overlay program handled by Parametric.

For more information about the investment program, please refer to the *Investment Policy Statement* at <https://fresnocountyretirement.org/wp-content/uploads/2018/04/20170802-InvestmentPolicyStatement-Complete.pdf> . A list of current investment managers and their commitments are included in the detailed Quarterly Investment Report at <https://fresnocountyretirement.org/wp-content/uploads/2018/07/2018Q1PerformanceReportFull.pdf>.

D. Scope of Services

The General Investment Consultant ("Consultant") shall provide comprehensive general investment consulting advice and services to FCERA, with certain exceptions noted below. The Consultant will report to the Board, but will functionally work closely with FCERA Staff ("Staff").

The Consultant will serve in a fiduciary capacity and will acknowledge in writing its fiduciary status, without qualification. In all cases, the Consultant and its representatives will offer advice that is solely in the interest of FCERA. A sample investment consultant services contract may be found in Appendix II.

Specific services to be provided include, but are not limited to, those listed below.

1. Investment Policy and Asset Allocation

- (a) Conduct a comprehensive asset allocation study (the "Study") at least every three years thereafter, the primary purpose of which shall be to determine the asset allocation policy of the Fund. In completing the Study, the Consultant shall among other things recommend methodologies, capital market assumptions, asset classes for analysis, and alternative asset allocation policies for consideration.
- (b) Upon engagement, and, at least annually thereafter, conduct a review and analysis of FCERA's investment policies, recommending changes, if appropriate.
- (c) Provide advice and recommendations on various other investment policy issues (e.g. whether to hedge currency exposure in foreign equities).
- (d) Monitor changes in capital markets, economic conditions, and other relevant factors on an ongoing basis to assess their impact on the Fund, and advise the Board accordingly.

2. Investment Manager Search, Selection, and Review

- (a) The Consultant shall be responsible for advising FCERA on the selection, oversight, and termination of investment managers ("Covered Managers") in the following asset classes:
 - i) Public markets equity;
 - ii) Public markets fixed income;
 - iii) Real estate;
 - iv) Infrastructure (FCERA currently invests its entire infrastructure portfolio using an open-ended vehicle managed by IFM); and
 - v) Any other potential mandates not handled by the hedge fund, private equity, or private credit consultants.
- (b) The following asset classes are managed by other consultants or managers; therefore the Consultant shall have no responsibility for advising FCERA on manager selection, oversight, and termination in these asset classes and strategies, except for concerns observed in the conduct of these consultants and managers, that a fiduciary would generally report to the Board:
 - i) Hedge Funds – managed on a non-discretionary basis using a fund-of-one (i.e. a combination of fund-of-funds and direct investments) by Grosvenor.

- ii) Private Equity – managed on a discretionary basis by Hamilton Lane.
- iii) Private Credit – managed on a discretionary basis by The Carlyle Group.

(c) Additionally, the Consultant shall:

- i) Conduct investment and operational due diligence on prospective Covered Managers.
- ii) Conduct ongoing review and due diligence, including periodic on-site due diligence visits, of FCERA's Covered Managers.
- iii) Provide annual due diligence reports of managers seen during the year that are retained by FCERA. (FCERA expects that all retained managers of FCERA will have due diligence conducted at least every three years for open-ended and public security mandates.)
- iv) Potentially allow trustees or staff to accompany the firm on due diligence visits in order to gain "first hand" manager exposure.
- v) Develop and recommend a pacing schedule for real estate and infrastructure.
- vi) Participate in the negotiation of investment management agreements ("IMAs" for Covered Managers, ensuring they match the intended fee and investment policy guidelines. (FCERA utilizes a legal firm to negotiate the legal aspects of IMAs.)

3. Performance Monitoring and Reporting

- (a) Prepare quarterly investment reports and monthly "flash" reports, as necessary, for any pertinent or actionable matters.
- (b) Provide ongoing monitoring and oversight of Covered Managers in regard to organizational stability and compliance with laws, regulations, investment policies, and mandates, and other relevant matters, and report quarterly.
- (c) Monitor and evaluate investment costs including, but not limited to, manager trading and transaction costs.

4. Client Service and Education

- (a) Attend the expected 9-10 Board meetings per year (up to a maximum of 12) annually, which includes one off-site dedicated to investment education.
- (b) In consultation with FCERA, design and co-ordinate the annual off-site Board meeting day dedicated to investments.¹
- (c) Attend telephone meetings, as requested by the Board or Staff.
- (d) Coordinate effectively with the Board, Staff, and custodian bank.
- (e) Respond to inquiries by the Board and Staff between meetings in a timely manner.

¹ Consultant may select/invite presenters from within the Consultant's firm, FCERA's manager line-up, or outside experts. FCERA appreciates presenters from the largest opportunity set possible.

- (f) Report significant changes in the Consultant's ownership, organizational structure, personnel, and other areas that may be relevant to Consultant on a timely basis.
- (g) Request information from Covered Managers in order for the Fund to comply with regulatory and/or other requirements.
- (h) Provide education to the Board and Staff, as required.
- (i) Provide the Board or Staff access to research, including proprietary research.

5. Other Services

- (a) Propose appropriate custodial arrangements and assist with searches for custodians and other vendors, as required.
- (b) Provide other services typically provided by general investment consulting relationships firms to institutions with investment programs similar to that of FCERA.
- (c) Carry out any other duties or provide any other services that may be specified in, or required by, FCERA's Investment Policy Statement.

E. Minimum Qualifications for Proposal

Proponents must indicate whether they satisfy the following minimum qualifications, and FCERA may eliminate from further consideration any Proponent that does not satisfy them:

- (a) The Proponent must agree to act as a fiduciary to FCERA.
- (b) The Proponent must be registered as an investment adviser under the Investment Advisers Act of 1940.
- (c) At the time of submission, the Proponent must have been in continuous operation in the United States for at least five (5) years providing general investment consulting services for institutional pension plans similar in asset size to FCERA. Alternatively, if the Proponent has undergone a merger or acquisition, at least one of the predecessor firms must have been in continuous operation in the United States for at least five (5) years providing general investment consulting services to institutional investment funds, at the time of submission.
- (d) The Proponent must currently provide investment advisory services to a minimum of five (5) institutional clients, each with total assets of at least \$1 billion.
- (e) The Proponent currently has at least three (3) public fund clients, each with total assets of at least \$2 billion.
- (f) At the time of submission, the proposed lead consultant to be assigned to FCERA's account must have a minimum of ten (10) years' experience in the institutional asset management industry, including at least two (2) years of experience providing investment consulting services directly to institutional fund clients such as FCERA.
- (g) The Proponent must carry the insurance identified in **Appendix I** or must have applied for it by contract execution.²

² Subject to change upon final contract negotiation.

F. Evaluation Criteria

The criteria to be considered when evaluating proposals include, but are not limited to, the following:

1. Relevant client experience
2. Asset allocation capabilities
3. Risk management capabilities
4. Manager research capabilities
 - (a) Public markets
 - (b) Private markets
5. Experience and qualifications of client service team/lead consultants
6. Other staff resources
7. Independence and ethics
8. Fees and other costs
9. Performance

G. Frequently Asked Questions

1. What prompted the search?

FCERA's most recent search for an investment consultant was conducted in 2008. In keeping with generally accepted fiduciary standards of practice, FCERA has issued this RFP to confirm and/or ensure that its investment consulting resources are appropriate and meet the needs of FCERA.

2. Who is the incumbent investment consultant?

FCERA's general investment consultant is Verus. FCERA has retained Verus for 15 years.

3. Will the incumbent consultant be invited to rebid?

Yes, the incumbent may rebid.

4. What are the fees currently being paid to the incumbent general investment consultant?

FCERA will not disclose the current fee at this time. FCERA cautions that the current fees paid to the incumbent may be misleading as the nature of the relationship with the incumbent has evolved in such a way that the current fees may not be representative of the current services, or the market for current services.

5. What is the expected length of the services contract?

Per FCERA's procurement and due diligence practices, FCERA intends for the contract resulting from this RFP to have a term of three years, with FCERA having the option to extend the contract for up to two additional one-year terms, terms to be established at the outset of the contract.

6. What issues will the consultant be expected to address? Are there any pressing issues?

FCERA does not have any known pressing issues. An asset/liability study was just completed, and the Board approved an asset allocation mix and glide path (the Board approved asset mix 4 and glide path scenario 1). See details of the new asset allocation over the next 3 years: <http://www2.co.fresno.ca.us/9200/Attachments/Agendas/2018/20180606/20180606-6C-AssetLiabilityStudyImplementation-1Presentation.pdf>. The results of the asset/liability study will also be incorporated into FCERA's Investment Policy Statement, set for adoption on September 5, 2018.

7. What is the Board’s schedule with respect to meetings that the investment consultant would be expected to attend?

The Consultant is expected to attend 9-10 Board meetings per year (up to a maximum of twelve). Board meetings are held on the 1st and 3rd Wednesday of the month. The investment consultant generally attends meetings on the 1st Wednesday during the months of February, March, April, May, June, August, September, and December in Fresno, CA. The meeting in October, held off-site, typically occurs on the third Wednesday or Thursday instead (depending on Consultant availability) and is reserved for investment education. FCERA intends either the 1st or the 3rd Wednesday of the month to be consistently “Investment” focused. If a Proponent prefers the 3rd Wednesday of the month, anticipated meetings would be January, February, March, April, June, July, September, October, December, and this change could be implemented with the March 20, 2019 or April 17, 2019 meeting.

8. What additional background information will FCERA make available to firms to assist them in preparing a proposal?

In preparing their proposals, Proponents may review FCERA’s website (<https://fresnocountyretirement.org/>) and the Appendices of this RFP. Proponents that are selected as finalist firms for additional due diligence may be provided additional background information at that time.

9. Is FCERA interested in discretionary investment consulting services (sometimes referred to as outsourced CIO services)?

FCERA is not considering discretionary investment consulting services at this time.

SECTION II: PROCESS FOR SUBMITTING PROPOSAL

A. Components of Proposals

To be considered, a proposal shall include the following:

1. A signed letter of transmittal
2. Additional documentation requested in Section III Part B of this RFP
3. A completed RFP Questionnaire (to be completed on-line).
(A fee proposal and references will be requested in the above questionnaire.)

Items 1 and 2 above (with signatures where requested) are to be submitted electronically by email or by mail/courier on an electronic storage device by the proposal submission deadline to:

Ms. Jenny Tam
Analyst
Cortex Applied Research Inc.
2489 Bloor Street West, Suite 304
Toronto, Ontario
M6S 1R6
jtam@cortexconsulting.com

The RFP Questionnaire is to be completed on-line by the proposal submission deadline. Please see Section III Part C for details.

B. Role of Search Consultant

FCERA has engaged Cortex to assist in the search process. The role of Cortex is to summarize and tabulate the responses to the RFP for subsequent review by the Committee. FCERA is solely responsible for the selection and appointment of the Consultant. Ms. Jenny Tam is the Contact Person. See page "i" for more information.

C. Questions and Communication Regarding the RFP

Throughout this solicitation and until FCERA enters into an agreement with a Proponent, Proponents shall not communicate with FCERA Board members or Staff regarding this solicitation and shall instead direct any questions they may have regarding the solicitation in writing to the Contact Person. Failure to comply with this requirement may result in the proponent being eliminated from consideration. Notwithstanding the above, any proponent currently engaged by FCERA may communicate with FCERA board members and staff as necessary to fulfill the terms of their engagement only.

All questions regarding this RFP must be sent by email to the Contact Person by the deadline for questions. Responses to any questions received shall be posted on FCERA's website at <https://fresnocountyretirement.org/administration/rfprfi/>.

Proponents with technical questions regarding the on-line completion of the RFP Questionnaire may email the Contact Person at any time before the proposal submission deadline.

D. Addenda to Request for Proposals

FCERA may modify this RFP prior to the proposal due date, by issuing written addenda, which shall be posted to the FCERA website. The Proponent shall be responsible for ensuring that its proposal reflects any and all addenda issued by FCERA prior to the proposal due date regardless of when the proposal is submitted.

E. Preparation of the Proposal

1. Format of Proposal

A. On-line Component:

Offerors must complete the following:

- (1) The on-line RFP Questionnaire to be completed via a survey link. A separate attachment (**Attachment A**) contains a copy of the RFP Questionnaire solely as a reference to facilitate completion of the on-line version.
- (2) The Excel file (**Attachment B**), facilitated by a guide (**Attachment C**).

Note: Interested firms must e-mail the Contact Person to request the attachments listed above and the survey link.

B. Supplemental Attachments

Pages should be sequentially numbered, organized, and indexed in the following sequence:

- (1) A signed letter of transmittal
- (2) Additional documentation requested in Section III Part B of this RFP. Exhibits must be saved as separate attachments and named accordingly (e.g. Exhibit 1, Exhibit 2, etc.).

Please note, where signatures are requested, they shall be provided by principals or officers authorized to bind the Proponent.

2. Revision of Proposal

A Proponent may revise and re-submit its proposal at any time before the deadline for submission. To revise and re-submit the on-line RFP Questionnaire prior to the deadline for submission, Proponents are asked to contact the Contact Person.

3. Errors and Omissions in Proposal

FCERA reserves the right to waive or permit correction of any minor inconsistencies, errors, or omissions in a proposal prior to the final evaluation of the proposal, request clarification of any issues, or take any other measures with respect to this RFP, in any manner necessary, to serve the best interests of FCERA.

4. Financial Responsibility and Ownership of Documents

Any cost incurred in the preparation, submission, or presentation of proposals shall be borne solely by the Proponent. Responses to this RFP and associated materials will become the property of FCERA and may be returned only at the discretion of FCERA.

5. Governing Law

This procurement and any agreement with Proponents that may result shall be governed by the laws of the State of California. Submission of a proposal constitutes acceptance of this condition.

F. Cancellation of the RFP

FCERA reserves the right to cancel this RFP at any time, and to reject any and all proposals submitted. This RFP in no manner obligates FCERA to the procurement of services until a written contract is entered into, negotiation of which may be terminated at any time by FCERA. If negotiations fail with a Proponent, FCERA may accept another proposal, at its discretion.

SECTION III: INFORMATION TO BE PROVIDED

Past Submissions: Proponents that have recently submitted a proposal to Cortex (i.e. in 2018) in connection with another RFP may e-mail the Contact Person to discuss potential exemptions from some of the submission requirements listed below.

A. Letter of Transmittal

The Letter of Transmittal must contain the following:

1. The Proponent's name, address, and telephone number.
2. The name, title or position, telephone number, and email address of the individual signing the Letter of Transmittal.
3. A statement indicating the signatory is authorized to bind the Proponent contractually.
4. A statement to the effect that the proposal is a firm and irrevocable offer good for nine (9) months from the deadline for submission of proposals.
5. A statement that the Proponent meets the Minimum Qualifications set out in this RFP.
6. A statement confirming that the Proponent's Form ADV (Parts I, IIA, and IIB) filed with the SEC as at the date of submission of the proposal, is up-to-date. Alternatively, the Proponent shall indicate any changes in the Proponent's circumstances that are not yet reflected in the Proponent's ADV (Parts I, IIA, IIB) currently filed with the SEC.

B. Additional Materials and Documents

Please submit the following documents as part of your completed proposal:

1. An organization chart of the firm, parent, and all subsidiary and affiliated companies. (Identify it as Exhibit 1.)
2. An Investment Policy Statement prepared by your firm for a public DB client similar to FCERA, and which you believe reflects best practice. (Identify it as Exhibit 2.)
3. A recent asset allocation study (as defined in the Glossary of Terms in the RFP Questionnaire) your firm has completed for a client. (Identify it as Exhibit 3.)
4. An investment manager operational due diligence report provided to a client during open session. (Identify it as Exhibit 4.)
5. Your firm's code of ethics policy and/or conflicts of interest policy and any procedures for ensuring compliance. (Identify it as Exhibit 5.)
6. A recent quarterly investment performance report provided to a client. (Identify it as Exhibit 6.)

Note: Where applicable, your firm may redact any information from the above Exhibits that may identify the client in question.

C. RFP Questionnaire

On-line Questionnaire: Proponents must complete the RFP Questionnaire on-line by following the link in the email invitation provided by Cortex to your firm. Specific instructions for completing the on-line RFP Questionnaire are provided in the on-line Questionnaire itself.

Clarification and Qualifiers: Due to the format of some of the questions (i.e. questions requiring responses in a specific format), Offerors will be provided an opportunity to provide clarification and/or qualifiers at the conclusion of the on-line RFP Questionnaire in the section entitled "Clarifications and Qualifiers". Offerors must provide the clarification/qualifiers in the form of brief statements, specifying the question number for which each statement relates. FCERA may ignore any information provided that does not directly clarify or qualify a response.

APPENDIX I: MINIMUM INSURANCE REQUIREMENTS

Without limiting FCERA's right to obtain indemnification from the Proposer or any third parties, the Proposer, at its sole expense, shall maintain in full force and effect the following insurance policies throughout the term of any agreement between the Proposer and FCERA:

A. Commercial General Liability

Commercial General Liability Insurance with limits of not less than Five Million Dollars (\$5,000,000) per occurrence and an annual aggregate of Five Million Dollars (\$5,000,000). This policy shall be issued on a per occurrence basis. FCERA may require specific coverages including contractual liability or any other liability insurance deemed necessary because of the nature of the Proposer's agreement with FCERA.

B. Automobile Liability

Comprehensive Automobile Liability Insurance with limits for bodily injury or property damages of not less than One Million Dollars (\$1,000,000) per accident, Five Million Dollars (\$5,000,000) annual aggregate. Coverage shall include owned and non-owned vehicles used in connection with any agreement between the Proposer and FCERA.

C. Professional Liability

Professional Liability Insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence, Three Million Dollars (\$3,000,000) annual aggregate.

This insurance shall include liability coverage covering the Proposer's liability arising from errors and omissions made directly or indirectly during the duration of any agreement between the Proposer and FCERA.

This coverage shall be issued on a per claim basis. The Proposer agrees that it shall maintain, at its sole expense, in full force and effect for a period of three (3) years following the termination of any agreement resulting from this RFP, one or more policies of professional liability insurance with limits of coverage as specified herein.

D. Worker's Compensation

A policy of Worker's Compensation insurance as may be required by the California Labor Code or other applicable law.

Within Thirty (30) days from the date the Proposer executes any agreement with FCERA, the Proposer shall provide certificates of insurance and endorsement as stated above for all of the foregoing policies, as required herein, to FCERA, Donald C. Kendig, Retirement Administrator, 7772 N Palm Avenue, Fresno, California 93711, stating that such insurance coverage have been obtained and are in full force; that FCERA, its officers, agents and employees will not be responsible for any premiums on the policies; that such Commercial General Liability insurance names FCERA, its officers, agents and employees, individually and collectively, as additional insured, but only insofar as the operations under the agreement are concerned; that such coverage for additional insured shall apply as primary insurance and any other insurance, or self-insurance, maintained by FCERA, its officers, agents and employees, shall be excess only and not contributing with insurance provided under the Proposer's policies herein; and that this insurance shall not be cancelled or changed without a minimum of thirty (30) days advance, written notice given to FCERA.

In the event the Proposer fails to keep in effect at all times insurance coverage as herein provided, FCERA may, in addition to other remedies it may have, suspend or terminate its agreement with the Proposer upon the occurrence of such event.

All policies shall be with admitted insurers licensed to do business in the State of California. Insurance purchased shall be purchased from companies possessing a current A.M. Best, Inc. rating of A FSC VII or better.

APPENDIX II: STANDARD CONTRACT

**INVESTMENT CONSULTING SERVICES AGREEMENT
BETWEEN
THE FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
AND
[CONSULTANT]**

This INVESTMENT CONSULTING SERVICES AGREEMENT ("**Agreement**") is entered into by and between FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION ("**FCERA**"), a public employees retirement system organized under the laws of California, and _____ ("**CONSULTANT**").

RECITALS

WHEREAS, pursuant to the authority granted it under the state Constitution and the law, including but not limited to California Government Code section 31595 and related provisions of law, the Board of Retirement of FCERA (the "**Board**") has exclusive control of the investment of FCERA's retirement fund;

WHEREAS, the Board may, in its discretion, delegate the authority to invest, manage, supervise, and evaluate the investment assets of the retirement fund when prudent in the informed opinion of the Board;

WHEREAS, the Board must discharge its duties with respect to FCERA's retirement fund with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with like matters would use in conducting an enterprise of like character and like aims;

WHEREAS, the Board must diversify the assets of FCERA's retirement fund so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly prudent not to do so;

WHEREAS, the Board has determined that, to discharge its duties according to the aforementioned standards, it is in the best interests of FCERA, its members, and beneficiaries to engage a competent, knowledgeable, and professional consultant to provide investment consulting services;

WHEREAS, the Board issued a request for proposals ("**RFP**") with respect to such investment consulting services, and as a result of the competitive selection RFP process, the Board believes CONSULTANT has the competence, knowledge, and professional experience to provide investment consulting services in accordance with the terms and conditions of this Agreement;

WHEREAS, CONSULTANT represents that it is competent, knowledgeable, and professional and possesses the qualifications, skills, and resources necessary to advise the Board in performing the investment consulting services identified in this Agreement;

NOW, THEREFORE, in consideration of the above stated recitals, which are fully incorporated into this Agreement, and the mutual promises, covenants, representations, and conditions contained herein, and the mutual benefits to be derived therefrom, FCERA and CONSULTANT agree as follows:

AGREEMENT

ARTICLE 1 - SCOPE OF WORK AND PERFORMANCE OF SERVICES

- 1.1 CONSULTANT agrees to furnish the services set forth in **Exhibit A**, titled Scope of Services, attached hereto and incorporated herein by this reference, as may be amended from time to time, in accordance with the provisions in this Agreement, to include other services as mutually agreed upon in writing by the parties (collectively, the “**Services**”). CONSULTANT’s provision of the Services, and compensation therefore, shall include all Documents (as defined in Paragraph 1.6 below), materials, reports, manuals, plans, and specifications prepared by CONSULTANT related to the Services.
- 1.2 CONSULTANT’s Services shall be completed and submitted in accordance with FCERA’s specified standards, and according to the schedule listed, in **Exhibit A**. The completion dates specified in this Agreement and Exhibit A may be modified by mutual agreement of FCERA and CONSULTANT. CONSULTANT agrees to diligently perform the Services.
- 1.3 CONSULTANT represents, warrants and agrees as follows:
 - (a) CONSULTANT is duly organized and in good standing in all jurisdictions in which it conducts its business.
 - (b) CONSULTANT has the professional skills and expertise necessary to perform the Services and will provide FCERA with expert advice and recommendations concerning the prudent investment of the assets of FCERA’s retirement system.
 - (c) CONSULTANT has all the appropriate licenses and professional certifications necessary to perform the Services and shall maintain them in good standing during the term of this Agreement.
 - (d) CONSULTANT will perform the Services in accordance with the highest standard of skill and expertise prevailing among those consulting firms providing investment consulting services to public employee defined-benefit pension funds in the United States.
 - (e) CONSULTANT acknowledges, understands, and agrees that FCERA is relying upon CONSULTANT’s representations contained in this Agreement, including but not limited to

the professional skill and expertise of CONSULTANT to perform the Services, in executing this Agreement.

(f) CONSULTANT acknowledges, understands, and agrees that FCERA's acceptance of the Services shall not release CONSULTANT from its professional responsibility to provide the Services in accordance with the terms of this Agreement.

1.4 CONSULTANT is an independent contractor and not an employee of FCERA. CONSULTANT expressly warrants that it will not represent to any third party for any reason that it is an employee of FCERA.

1.5 CONSULTANT agrees to maintain in confidence and not disclose to any person or entity, without FCERA's prior written consent, any confidential information, knowledge, or data relating to FCERA's services, processes, or operations, including without limitation investment, financial, accounting, member, and statistical information pertaining to FCERA or its services, processes, or operations. Subject to the limitations and restrictions contained in this Agreement, CONSULTANT further agrees to maintain in confidence and not to disclose, to any person or entity, any data, information, technology, or material developed or obtained by CONSULTANT on behalf of FCERA during the term of this Agreement.

1.6 Subject to the limitations and restrictions contained in this Agreement, the studies, reports, and other documents prepared or caused to be prepared by CONSULTANT or others acting on its behalf in connection with performing the Services (collectively, "**Documents**") shall be delivered to and shall become the exclusive property of FCERA. CONSULTANT may retain and use copies of such Documents, with written approval of FCERA.

CONSULTANT shall retain all rights, title and interest (including, without limitation, all copyrights, patents, service marks, trademarks, trade secret, and other intellectual property rights) in and to all of CONSULTANT's technical or internal designs, methods, ideas, concepts, know-how, techniques, generic documents, and templates (collectively, "**Tools**") that have been previously developed by CONSULTANT or such Tools developed during the course of the provision of the Services, provided such Tools do not contain, are not based upon, or derived from any confidential information, knowledge, or data relating to FCERA's services, processes, or operations, including without limitation investment, financial, accounting, member, and statistical information pertaining to FCERA or its services, processes, or operations, or any other FCERA confidential information or proprietary data. Rights and ownership by CONSULTANT of its Tools shall not extend to or include all or any part of FCERA's proprietary data or FCERA confidential information. To the extent that CONSULTANT may include in the materials any pre-existing CONSULTANT proprietary information, other protected CONSULTANT materials, or Tools, CONSULTANT agrees that FCERA shall be deemed to have a fully paid for perpetual license to make copies of such CONSULTANT owned materials for its business purposes.

- 1.7 At all times during the Term of this Agreement, as herein defined, the CONSULTANT Services shall be performed under the direct supervision of _____ (the “**Primary Consultant**”). It is understood that no substitution for the Primary Consultant will be permitted without the express prior written consent of FCERA, upon action of its Board of Retirement. In the event the Primary Consultant is absented from FCERA’s account for any reason during the Term, and the Board has not approved a qualified substitute in writing, the Board may terminate this Agreement upon thirty (30) days’ written notice to CONSULTANT.
- 1.8 CONSULTANT shall meet with the Board at least monthly at the times and places designated by the Board. CONSULTANT agrees that the Services include the CONSULTANT’s attendance at Board meetings as needed in Fresno, California, as requested by the Board.

ARTICLE 2 - COMPENSATION

- 2.1 For the performance of all Services, FCERA agrees to pay CONSULTANT actual costs incurred, subject to the compensation method(s) and amount(s) described in **Exhibit B**, attached hereto and incorporated herein by this reference. CONSULTANT certifies that the proposed cost it included with its response to the RFP, and pricing data used therein and herein are complete, current, and accurate.
- 2.2 In the event of any changes affecting the Services resulting from new findings, unanticipated conditions, or other conflicts or discrepancies, CONSULTANT shall promptly notify FCERA of the identified changes and advise FCERA of the recommended solution. Work shall not be performed on such changes without FCERA’s prior written authorization.

ARTICLE 3 – TERM AND EFFECTIVE DATE; NOTICE TO PROCEED

- 3.1 Unless sooner terminated in accordance with this Agreement, the term of this Agreement shall commence on the Effective Date, as defined below, and continue for an initial period of three (3) years (“**Term**”). The Term may be extended by the parties by mutual agreement for one-year extensions for up to two years.
- 3.2 This Agreement shall become effective on the date on which both parties’ authorized signatories shall have executed the Agreement as indicated by the last date below (“**Effective Date**”). CONSULTANT shall commence work under the terms of this Agreement on the Effective Date.

ARTICLE 4 - TERMINATION

- 4.1 This Agreement may be terminated by FCERA for cause upon one (1)-day’s written notice to CONSULTANT. “**Cause**” shall include, but not be limited to, CONSULTANT’s breach of this Agreement; CONSULTANT’s tortious conduct in connection with the performance of this Agreement or any Services; the material unavailability of the Primary Consultant; and any adverse action taken against CONSULTANT by any state or federal regulatory agency or by any other person or entity in connection with CONSULTANT’s professional activities.

- 4.2 This Agreement may be terminated by FCERA without cause for any reason upon thirty (30)-days' written notice to CONSULTANT.
- 4.3 If this Agreement is terminated by FCERA, CONSULTANT shall be entitled to compensation for Services satisfactorily performed to the effective date of termination; provided however, that FCERA may condition payment of such compensation upon CONSULTANT's delivery to FCERA of any and all completed Documents provided to CONSULTANT or prepared by or on behalf of CONSULTANT for FCERA in connection with this Agreement. Payment by FCERA for the Services satisfactorily performed to the effective date of termination shall be the sole and exclusive remedy to which CONSULTANT is entitled in the event of termination of the Agreement and CONSULTANT shall be entitled to no other compensation or damages and expressly waives same. If FCERA has prepaid for any services, CONSULTANT will forthwith remit a pro rata amount of the prepayment representing the unearned portion of the prepayment.
- 4.4 This Agreement may be terminated by CONSULTANT upon sixty (60)-days' written notice to FCERA, but only in the event of substantial failure by FCERA to fulfill its obligations under this Agreement through no fault of CONSULTANT. Prior to terminating the Agreement under this Paragraph, CONSULTANT shall use its best efforts to informally resolve any claimed substantial failure by FCERA. Following termination and upon request, CONSULTANT agrees to cooperate with FCERA in arranging a satisfactory transition of investment consulting services to another consultant.
- 4.5 This Agreement may be terminated immediately by written mutual agreement.

ARTICLE 5 – INDEMNIFICATION, LIMITATION OF LIABILITY AND INSURANCE

5.1 Indemnification

CONSULTANT expressly agrees to indemnify, defend, and hold harmless FCERA and its Board members, officers, directors, agents, and employees (collectively, "**FCERA Indemnitees**"), from and against any and all loss, liability, expense, demands, and/or damages, including attorneys' fees and costs, for any claims or suits brought against the FCERA Indemnitees arising out of or relating to the wrongful acts or omissions, violations of applicable law, or performance of the Services or this Agreement by CONSULTANT and/or anyone acting on CONSULTANT's behalf.

5.2 No Limitation of First-Party Liability to FCERA

Nothing in this Agreement is intended to nor shall limit CONSULTANT's liability to FCERA for any and all loss, liability, claims, expense, demands, and/or damages, including attorneys' fees and costs, arising out of or relating to the wrongful acts or omissions, violations of applicable law, or performance of the Services or this Agreement by CONSULTANT and/or anyone acting on CONSULTANT's behalf.

5.3 Insurance Requirements

The insurance requirements hereafter enumerated shall in no way limit CONSULTANT's liability under this Agreement. Prior to the Effective Date, CONSULTANT shall have obtained, and thereafter shall maintain during the Term of this Agreement, and for so long thereafter as claims may be brought for acts or omissions occurring during the Term of this Agreement, all the insurance required in this Paragraph 5.3, and shall submit certificates of such insurance for review and approval by FCERA not less than annually and upon request by FCERA. Each certificate of insurance, except for the Professional Liability and Workers' Compensation policies, shall confirm that FCERA is an additional insured under the policy. CONSULTANT's insurers shall be subject to FCERA's reasonable acceptance. CONSULTANT shall make its insurance policies and all endorsements available to FCERA for inspection and copying upon reasonable request.

Acceptance of any such certificate shall not relieve CONSULTANT of any of the insurance requirements, nor limit the liability of CONSULTANT. CONSULTANT's insurance coverage shall be primary; any other coverage available to FCERA shall be excess to CONSULTANT's and not contribute to it.

(a) Workers' Compensation Insurance

CONSULTANT shall obtain and maintain during the Term of this Agreement and as extended, Workers' Compensation Insurance, providing coverage for all of its employees and others acting on its behalf working in connection with performing the Services or this Agreement. In lieu of evidence of Workers' Compensation Insurance, FCERA will accept a Self-Insured Certificate from the State of California.

(b) Automobile and Commercial General Liability Insurance

CONSULTANT shall obtain and maintain during the Term of this Agreement and as extended, Automobile and Commercial General Liability Insurance providing coverage for all of its employees and others acting on its behalf working in connection with performing the Services or this Agreement. The amounts of such insurance coverage shall not be less than: \$1,000,000/Occurrence, Bodily Injury, Property Damage – Automobile, \$5,000,000/Occurrence and \$5,000,000 annual aggregate, Bodily Injury, Property Damage - General Liability. CONSULTANT shall provide 30 days advance written notice to FCERA of any cancellation of or changes in coverage or deductible.

(c) Professional Liability Insurance

CONSULTANT shall obtain and maintain during the Term of this Agreement and as extended, Professional Liability insurance (Errors and Omissions) with a minimum of \$1,000,000/Occurrence, \$3,000,000 annual aggregate. Any deductible is the sole responsibility of CONSULTANT. CONSULTANT shall provide 30 days advance written notice to FCERA of any cancellation of or changes in coverage or deductible. CONSULTANT

represents and warrants that coverage under the policy is applicable to claims brought by FCERA.

- (d) Upon request, CONSULTANT will deliver a copy of its most recent audited financial statements to FCERA, together with a certified statement disclosing any material subsequent events occurring after the date of the statements.

ARTICLE 6 - NOTICES

- 6.1 Any notice which FCERA may desire or is required at any time to give or serve CONSULTANT may be delivered personally, or be sent by express delivery or United States mail, postage prepaid, addressed to:

_____, or at such other address as shall have been last furnished in writing by CONSULTANT to FCERA.

Any notice which CONSULTANT may desire or is required at any time to give or serve upon FCERA may be delivered personally, or be sent by express delivery or United States mail, postage prepaid, addressed to Fresno County Employees' Retirement Association, 7772 N. Palm Ave, Fresno CA, 93711 Attn: Retirement Administrator, or at such other address as shall have been last furnished in writing by FCERA to CONSULTANT.

Such personal delivery, express delivery or mailing in such manner shall constitute a good, sufficient and lawful notice and service thereof in all such cases. Notice and service shall be deemed effective upon actual receipt.

ARTICLE 7 – LEGAL COMPLIANCE

- 7.1 CONSULTANT agrees that it is a fiduciary to FCERA and will perform all of its duties under this Agreement in accordance with the same fiduciary standards as are applied to members of the Board pursuant to Article XVI sec. 17 of the California Constitution, Section 31595 of the California Government Code, and all other relevant law, regulation, local rule or caselaw of the State of California and the United States.
- 7.2 CONSULTANT agrees that it will perform Services subject to and in furtherance of FCERA's operative investment policies and procedures, as amended from time to time, and pursuant to the terms and conditions of this Agreement.
- 7.3 CONSULTANT agrees to observe and comply with all applicable Fresno County, State of California, and federal laws, ordinances, rules, regulations and policies now in effect or hereinafter enacted or issued, each of which are hereby made a part hereof and incorporated herein by reference.

- 7.4 CONSULTANT has read and is aware of the provisions of Section 1090 *et seq.*, and Section 81700 *et seq.*, of the California Government Code relating to conflict of interest of public officers and employees. Consultant represents that it is unaware of any financial or economic interest it may have with any public officer or employee of FCERA relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, it shall constitute Cause for termination of this Agreement. CONSULTANT and its officers, agents and employees shall comply with the requirements of Government Code section 87100 *et seq.* (including Section 82048(a) and regulations promulgated thereunder), during the Term of this Agreement and understands, acknowledges, and agrees that CONSULTANT's staff providing Services pursuant to this Agreement are required to file and shall timely file annual statements of economic interest (Form 700) pursuant to California law and FCERA's Conflict of Interest Code.
- 7.5 CONSULTANT agrees that all of its directors, officers, employees, and agents who provide Services to FCERA shall comply with applicable federal, state, and FCERA's Conflict of Interest Code requirements. CONSULTANT shall immediately notify FCERA in writing of any violation of the FCERA's Conflict of Interest Code.
- 7.6 CONSULTANT shall not directly or indirectly receive any benefit from recommendations or advice made to FCERA and shall immediately disclose in writing to FCERA any investment or economic interest of CONSULTANT, or any of its officers, directors, agents, or employees or affiliates, that may be enhanced by the recommendations CONSULTANT makes to FCERA.
- 7.7 CONSULTANT agrees to disclose to FCERA any relationship it or any of its officers, directors, agents, or employees have with, or any financial interest they have in, any third party manager, placement agent, contractor, or vendor to FCERA.
- 7.8 CONSULTANT agrees to disclose to FCERA as soon as possible after the happening of: (a) the existence of any action, including investigations, initiated by any state or regulatory agency in connection with the conduct of CONSULTANT's business; (b) the existence of any material claims by any party arising out of the conduct of CONSULTANT's business; and, (c) any material change of circumstances affecting the conduct of CONSULTANT's business.
- 7.9 CONSULTANT shall perform the Services in conformance with the policies, interpretations, rules, practices, and procedures made or established by FCERA and as provided by FCERA to CONSULTANT. CONSULTANT will not have discretionary authority with respect to the management of the assets.
- 7.10 CONSULTANT hereby certifies that it is registered as an Investment Advisor under the Investment Advisor Act of 1940, and its investment advisory services will be in compliance with such Act and the regulation enacted thereunder. Nothing herein will in any way constitute a waiver or limitation of any rights which the FCERA may have under federal securities laws.

- 7.11 FCERA hereby acknowledges receipt of the CONSULTANT, Inc. ADV Part II, updated as of _____, which is also appended to this Agreement, at least forty-eight (48) hours prior to the execution hereof.
- 7.12 During the term of this Agreement, CONSULTANT shall disclose to FCERA annually, or sooner as FCERA requests, a report of its internal risk management policies and procedures, their success or failure, and the results of any audit of such policies and procedures conducted by any person or entity.

ARTICLE 8 - MISCELLANEOUS

- 8.1 This Agreement represents the entire understanding of FCERA and CONSULTANT as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement, and all exhibits to it, may only be modified by amendment in writing signed by each party.
- 8.2 This Agreement is binding on the successors and assigns of the parties hereto. This Agreement is personal to the parties hereto and the Services to be provided are unique. Neither party may assign, transfer, or otherwise substitute its interest in this Agreement or any of its obligations hereunder except with the parties' mutual written consent, which consent may be withheld for any reason whatsoever.
- 8.3 If any part of this Agreement is declared by a final decision of a court or tribunal of competent jurisdiction to be unlawful, invalid, or beyond the authority of either party to enter into or carry out, such decision shall not affect the validity of the remainder of this Agreement, which shall continue in full force and effect, provided that the remainder of this Agreement can be interpreted to give effect to the intentions of the parties.
- 8.4 Multiple counterparts of this Agreement may be executed by the parties as originals but together they shall constitute one instrument. The parties agree that the executed Agreement in the possession of FCERA shall be the version of the Agreement that shall take precedence should any differences exist among counterparts of the Agreement.
- 8.5 (a) This Agreement shall be deemed to have been entered into and performed in Fresno, California. All matters relating to this Agreement shall be governed by the laws of the State of California, without regard to its conflict of interest provisions.
- (b) In the event of any dispute between the parties arising out of or relating to this Agreement, the breach, termination, enforcement, interpretation, or validity thereof, the Parties agree that they shall first attempt to resolve their dispute through non-binding mediation, to be conducted in a manner satisfactory to the parties but to be concluded within 90 days following either party's delivery of written notice to the other party of the dispute and a request for mediation. If the dispute has not been resolved within 90 days

following delivery of such notice, or as mutually extended in writing by the parties, either party shall be free to initiate legal action as provided for below.

(c) In the event the dispute has not been resolved timely through non-binding mediation or otherwise, the parties will each have the right to initiate legal action in a court of competent jurisdiction venued in state Superior Court in and for Fresno County or in the federal District Court for the Eastern District of California. The law of the state of California shall govern all substantive matters.

- 8.6 A party's waiver of the performance of any covenant, condition, obligation, representation, warranty, or promise in this Agreement shall not invalidate this Agreement or be deemed a waiver of any other covenant, condition, obligation, representation, warranty, or promise. A party's waiver of the time for performing any act or condition hereunder does not constitute a waiver of the act or condition itself.
- 8.7 There shall be no discrimination against any person or group of persons, based on race, color, religion, creed, national origin, ancestry, gender, age, marital status, disability, sexual orientation, or any other protected class under California's laws, now in place or as amended, in the performance of this Agreement. CONSULTANT shall not establish or permit any such practice(s) of discrimination under this Agreement or the performance of any Services. CONSULTANT's violation of this section shall be deemed to be a material breach of this Agreement and shall give rise to Cause of termination of the same.
- 8.8 CONSULTANT affirms that it does not have any financial interest or conflict of interest that would prevent CONSULTANT from providing unbiased, impartial service to FCERA under this Agreement.
- 8.9 This Agreement may be modified or amended only in a writing signed by both parties, specifically referring to this Agreement.
- 8.10 The provisions of Paragraphs 1.5, 1.6, 4.2, 4.3, 4.4, 4.5, 5.1, 5.2, 5.3, 6.1, 7.9, 7.10, 8.2, 8.5, 8.6, and 8.12, and any others which, by the effect of law or their own term, shall survive termination of this Agreement for whatever reason.
- 8.11 Time is of the essence in the performance of this Agreement.
- 8.12 CONSULTANT'S Services, Documents, and related work is prepared solely for the use and benefit of FCERA in accordance with its statutory and regulatory requirements. CONSULTANT recognizes that any materials it delivers to the FCERA may be public records subject to disclosure to third parties, however, CONSULTANT does not intend to benefit and assumes no duty or liability to any third parties who receive CONSULTANT'S work in this fashion and may include disclaimer language on its work product so stating.

IN WITNESS WHEREOF, the parties hereto each execute this Agreement by signing below.

**FRESNO COUNTY EMPLOYEES' RETIREMENT
ASSOCIATION**

_____ **CONSULTANT**

Dated: _____

Dated: _____

By: _____
Authorized Signatory

By: _____
Authorized Signatory

Its: _____

Its: _____

EXHIBIT A

SCOPE OF SERVICES

I. Purpose and Scope of Services

CONSULTANT shall provide comprehensive general investment consulting advice and services to FCERA. CONSULTANT will report to the Board, but will functionally work closely with FCERA Staff (“Staff”).

CONSULTANT will serve in a fiduciary capacity and will acknowledge in writing its fiduciary status, without qualification. In all cases, CONSULTANT and its representatives will offer advice that is solely in the interest of FCERA.

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

II. Investment Policy and Asset Allocation

- (a) Conduct a comprehensive asset allocation study (the “Study”) at least every three years thereafter, the primary purpose of which shall be to determine the asset allocation policy of FCERA’s fund. In completing the Study, CONSULTANT shall, among other things, recommend methodologies, capital market assumptions, asset classes for analysis, and alternative asset allocation policies for consideration.
- (b) Upon engagement, and, at least annually thereafter, conduct a review and analysis of FCERA’s investment policies, recommending changes, if appropriate.
- (c) Provide advice and recommendations on various other investment policy issues (e.g. whether or not to hedge currency exposure in foreign equities).
- (d) Monitor changes in capital markets, economic conditions, and other relevant factors on an ongoing basis to assess their impact on FCERA’s fund, and advise the Board accordingly.

III. Investment Manager Search, Selection and Review

- (a) CONSULTANT shall be responsible for advising FCERA on the selection, oversight, and termination of investment managers (“Covered Managers”) in the following asset classes:
 - i) Public markets equity;
 - ii) Public markets fixed income;
 - iii) Real estate;
 - iv) Infrastructure; and
 - v) Any other potential mandates not handled by the hedge fund, private equity, or private credit consultants.

- (b) The following asset classes are managed by other consultants or managers; therefore, CONSULTANT shall have no responsibility for advising FCERA on manager selection, oversight, and termination in these asset classes and strategies, except for concerns observed in the conduct of these consultants and managers, that a fiduciary would generally report to the Board:
- i) Hedge Funds – managed on a non-discretionary basis using a fund-of-one (i.e. a combination of fund-of-funds and direct investments) by Grosvenor.
 - ii) Private Equity – managed on a discretionary basis by Hamilton Lane.
 - iii) Private Credit – managed on a discretionary basis by The Carlyle Group.
- (c) Additionally, CONSULTANT shall:
- i) Conduct investment and operational due diligence on prospective Covered Managers.
 - ii) Conduct ongoing review and due diligence, including periodic on-site due diligence visits, of FCERA’s Covered Managers.
 - iii) Provide annual due diligence reports of managers seen during the year that are retained by FCERA. (FCERA expects that all retained managers of FCERA will have due diligence conducted at least every three years for open-ended and public security mandates.)
 - iv) Potentially allow trustees or staff to accompany the firm on due diligence visits in order to gain “first hand” manager exposure.
 - v) Develop and recommend a pacing schedule for real estate and infrastructure.
 - vi) Participate in the negotiation of investment management agreements (“IMAs” for Covered Managers, ensuring they match the intended fee and investment policy guidelines. (FCERA utilizes a legal firm to negotiate the legal aspects of IMAs.)

IV. Performance Monitoring and Reporting

- (a) Prepare quarterly investment reports and monthly “flash” reports, as necessary, for any pertinent or actionable matters.
- (b) Provide ongoing monitoring and oversight of Covered Managers in regard to organizational stability and compliance with laws, regulations, investment policies, and mandates, and other relevant matters, and report quarterly.
- (c) Monitor and evaluate investment costs including, but not limited to, manager trading and transaction costs.

V. Client Service and Education

- (a) Attend the expected 9-10 Board meetings per year (up to a maximum of 12) annually, which includes one off-site dedicated to investment education.

- (b) In consultation with FCERA, design and co-ordinate the annual off-site Board meeting dedicated to investments.³
- (c) Attend telephone meetings, as requested by the Board or Staff.
- (d) Coordinate effectively with the Board, Staff, and custodian bank.
- (e) Respond to inquiries by the Board and Staff between meetings in a timely manner.
- (f) Report significant changes in CONSULTANT's ownership, organizational structure, personnel, and other areas that may be relevant to CONSULTANT on a timely basis.
- (g) Request information from Covered Managers in order for the Fund to comply with regulatory and/or other requirements.
- (h) Provide education to the Board and Staff, as required.
- (i) Provide the Board or Staff access to research, including proprietary research.

VI. Other Services

- (a) Propose appropriate custodial arrangements and assist with searches for custodians and other vendors, as required.
- (b) Provide other services typically provided by general investment consulting firms to institutions with investment programs similar to that of FCERA.
- (c) Carry out any other duties or provide any other services that may be specified in, or required by, FCERA's Investment Policy Statement.

³ CONSULTANT may select/invite presenters from within CONSULTANT's firm, FCERA's manager line-up, or outside experts. FCERA appreciates presenters from the largest opportunity set possible.

EXHIBIT B

COMPENSATION

Compensation for Services provided in Exhibit A, *Scope of Services*, shall be in accordance with the methods and specific amounts described in this Exhibit B.

-TBD-