

**Spokane Employees' Retirement System (SERS)**  
**Board Meeting, 1:00 p.m. October 6, 2021**  
**WebEx Meeting**

**AGENDA**

- 1) Minutes of the September 1, 2021
  - Motion
  
- 2) Director's Report
  - a) Retirements
    - Motion
  - b) Withdrawals
    - Motion
  - c) Vesting
    - Information
  - d) Deaths
    - Information
  - e) Expenditure Summary Report – August 2021
    - Motion
  - f) Schedule of Investments – August 2021
    - Information
  - g) Cash Reconciliation – September 2021
    - Information
  - h) Other Business
  
- 3) Investment Consultant Finalists
  - Presentation
  
- 4) Other Business
  
- 5) Next Meeting – **Wednesday, November 3rd at 1:00 p.m.**

**\*\*Please note:** The September Board meeting will be held via [WebEx Meeting](#).

<https://spokanecity.webex.com/spokanecity/j.php?MTID=me5ac701dc97096935cfc5301ca1d7112>

Meeting dial-in number: 1-408-418-9388

Meeting number (access code): 2497 805 9521

Meeting password: ZdGSYHFx647

**Spokane Employees' Retirement System (SERS)  
Board Meeting Minutes  
September 1, 2021**

The meeting was called to order at 1:04 p.m. via WebEx conference call and immediately went into closed session.

**Present:** Mike Coster, Jim Tieken, Joe Cavanaugh, Brian Brill, Michael Cathcart, and J.D. Morscheck

**Staff:** Phill Tencick, Christine Shisler, Donald Brown, and Tim Szambelan

**Guests:** Jayson Davidson, Brian Loescher, Tom Breden, Natalie Hilderbrand, Jon Barnhart, and Rowen Descallar

Jim Tieken arrived on the call at 1:06 p.m.

Closed session ended at 1:09 p.m. and the meeting immediately went into open session.

Michael Cathcart arrived on the call at 1:15 p.m.

**Hyas Group, 2021 2<sup>nd</sup> Quarter Investment Performance Report**

Hyas Group presented Second Quarter 2021 Performance Report and noted that equity markets continued their post-pandemic march upward with global stock markets posting strong numbers across all capitalization ranges. The performance style rotation from growth to value stocks stalled during the quarter, however, as markets increasingly weighed signs of economic growth against rising inflation fears. Rising COVID case counts coupled with those inflation fears did cause increased interest in fixed income, and government bonds in particular. The US Aggregate posted a positive 1.83% for the quarter as yields dropped with the renewed demand for fixed income. Hyas Group expect the positive momentum to moderate in the coming months as the sharp snapback in economic activity starts to normalize. The SERS portfolio again posted performance ahead of its policy benchmark with a quarterly number at 5.5% relative to policy's 5.2%, with this portfolio performance essentially matching the peer median. Category allocations remain in line with policy ranges and again there is no expectation to deviate meaningfully from target in the near term.

The following funds were on watch status as of quarter-end: Hotchkis & Wiley High Yield, Polar Long/Short Fund, OrbiMed Partners, Hotchkis and Wiley Diversified Value, Rimrock Low Volatility, Wells Fargo Small Cap Value, and Bridge City Small Cap Growth. Polar was placed on watch due to the announcement that one of its employees being accused of front running clients by trading in personal accounts. The investigation into this matter continues and the watch status will be maintained until further notice. Again, Both

Hotchkiss & Wiley products posted strong relative returns with the Large Cap Value Fund enjoying its second consecutive performance of policy compliance. Hyas Group see little risk of the fund filing back into violation in the near term and are thus recommending it be taken off watch.

Jim Tieken moved and Joe Cavanaugh seconded the motion to remove Hotchkiss & Wiley Diversified Value fund from watch. The motion passed unanimously.

The Bridge City Small Cap Growth Fund also, again, posted policy compliant numbers but we will continue to maintain its watch status. We are not recommending any changes in watch status any in of the other aforementioned products.

Hyas Group analytics and reporting groups will further evaluate the prospect of changing the peer group being used as a benchmark for the Prime Property Fund. The reporting has been limited to a REIT peer group, but they will look into alternatives.

For the matter related to Polar Asset Management's investigation into potential fraud committed by one of its employees, no new information was available. Hyas Group will continue to monitor the situation and provide additional details as warranted.

Mr. Davidson informed the Board that with Hyas Group officially joining Morgan Stanley and that Morgan Stanley Real Estate, which acts as investment manager for the Prime Property Fund, will effectively become an affiliate of the Hyas Group due to its common ownership. He noted that Hyas Group advice and recommendations related to this holding took place prior to this deal's announcement and were based purely on investment considerations and in compliance with the SERS's written investment policy. They expect to continue providing such advice and recommendations with those same considerations. However, as a result of our affiliation with Morgan Stanley Real Estate, and the potential conflicts of interest associated with providing advice on affiliated products, Hyas Group's investment advisory fee will be reduced proportionately to account for Plan assets invested in the Prime Property Fund.

### **Minutes of the August 4, 2020 Meeting**

Joe Cavanaugh moved and Jim Tieken seconded the motion to approve the minutes of the August 4, 2021 meeting as presented. The motion passed unanimously.

### **Director's Report**

#### **Service Retirements**

<b>Name</b>	<b>Age</b>	<b>Retirement Date</b>	<b>Years of Service</b>	<b>Department</b>
Adam W. Papini	50	09/01/2021	19.7	Legal
Rebecca L. Ballou	62	09/09/2021	26.8	Solid Waste Management

Lorene E. Butz	64	09/18/2021	22.0	Accounting
Daniel E. Herbers	62	10/05/2021	35.0	Solid Waste Management
Timothy M. Bemis	65	11/02/2021	11.8	Advanced Wastewater Treatment
Cynthia L. Jaeger	66	11/05/2021	19.2	Public Defender

Jim Tieken moved and Joe Cavanaugh seconded the motion to approve the service retirements as presented on the September Retirement Transaction Report. The motion passed unanimously.

Withdrawals for September 2021

<i>Name</i>	<i>Years of Service</i>	<i>Termination Date</i>
Adam M. Franzen	0.1	Water
Julie K. Richburg	2.0	Development Services Center
Zachary D. Anderson	3.0	Water
Jon F. Bockstruck	3.3	Parks & Recreation
Jo-Lynn Brown	2.5	Parks & Recreation
Justin M. Worthington	5.4	Parks & Recreation
Sara L. Thomas	0.6	Combined Communications Center

Joe Cavanaugh moved and Jim Tieken seconded the motion to approve the requests for withdrawal as presented on the September Retirement Transaction Report. The motion passed unanimously.

Vesting

<i>Name</i>	<i>Department</i>	<i>Years of Service</i>
Matthew R. Davis	CD/HS Operations	4.8
Jazmyn A. Clark	Public Defenders	6.4

Deaths

<i>Name</i>	<i>Date Retired</i>	<i>Age</i>	<i>Date of Death</i>	<i>Information</i>
Wesley L. Pogue	09/02/1999	79	03/05/2021	No Further Benefits
Hugh L. Lynn	03/26/1983	97	07/12/2021	No Further Benefits
James E. Thrash	03/02/1989	93	08/11/2021	No Further Benefits
Glenna R. Keller	08/02/1988	83	08/16/2021	D Option Continues
Jeanette K. Cole	05/04/1996	76	08/21/2021	No Further Benefits

Vesting and death information provided to the Board for review.

Expenditure Summary Report – July 2021

The Expenditure Summary Report was presented to the Board and discussed.

Jim Tieken moved and Joe Cavanaugh seconded the motion to approve the July 2021 Expenditure Summary Report. The motion passed unanimously.

Schedule of Investments – July 2021

The monthly investment report was presented to the Board for review. The estimated market value of the SERS portfolio on July 31, 2021 was \$369.6 million with an estimated rate of return of 0.3% for the month.

Monthly Cash Reconciliation

The monthly cash reconciliation report was presented to provide the Board with additional insight into the ongoing liquidity, transactions, and cash position of the plan.

2022 Budget

The 2022 Budget was presented to the Board and discussed.

Joe Cavanaugh moved and Jim Tieken seconded the motion to adopt the 2022 Budget as presented. The motion passed unanimously.

Other Business

Mr. Tencick informed the Board that Jim Tieken, being the only nomination that was received, was elected without ballot to the Board.

There being no other business, the meeting adjourned at 2:36 p.m.

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**Phillip Tencick, Retirement Director**

# SERS Retirement Transaction Report

## October 2021

### Retirements

	<b>Name</b>	<b>Age</b>	<b>Retirement Date</b>	<b>Years of Service</b>	<b>Department</b>	<b>Option</b>
1	Laurence C. Anderson	58	09/17/2021	32.5	Street	E
2	Deborah D. Rawley	67	09/26/2021	11.3	Library	E
3	Stephanie B. Huff	50	10/01/2021	10.9	PFD	A
4	Aaron A. Ketza	51	10/01/2021	11.6	Solid Waste Disposal	C-20
5	Lisa A. Cavanaugh	59	10/13/2021	21.7	Library	ST
	Retirements YTD	55				
	2020 Total Retirements	74				

### Withdrawals

	<b>Name</b>	<b>Years of Service</b>	<b>Department</b>	<b>Termination Date</b>
1	Bo-Andrew G. Weissenburger	0.01	My Spokane	03/06/2021
2	Eileen M. May	0.03	Development Service Center	03/08/2021
3	Paul T. Warfield	1.6	Mayor	07/24/2021
4	Brenda J. Schreiber	0.7	CD/HS Operations	07/31/2021

### Vesting

	<b>Name</b>	<b>Department</b>	<b>Years of Service</b>
1	Amber N. Richards	Human Resources	3.0
2	David G. Lewis	CD/HS Operations	11.9

### Deaths

	<b>Name</b>	<b>Date Retired</b>	<b>Age</b>	<b>Date of Death</b>	<b>Information</b>
1	Lynda L. Rada	10/16/1996	74	06/24/2021	No Further Benefits
2	Jackie M. Chaffins	05/03/2014	71	08/15/2021	No Further Benefits
3	Yoko Foxton	05/30/2002	84	08/17/2021	No Further Benefits
4	Allen D. Craig	11/16/1991	93	09/08/2021	No Further Benefits
5	Betty Kay Byrnes	06/15/2020	77	09/22/2021	No Further Benefits

SPOKANE EMPLOYEES' RETIREMENT SYSTEM - 6100  
 2021 EXPENDITURE SUMMARY REPORT  
**AUGUST 31, 2021**

	2020 ACTUAL	2021 BUDGET	AUGUST ACTUAL EXPENDITURES	2021 ACTUAL YTD EXPENDITURES	VARIANCE	PERCENTAGE USED
<b>OPERATING EXPENDITURES</b>						
Departmental Salaries	315,165.09	313,354.00	22,992.00	191,125.42	122,228.58	61.0%
Departmental Benefits	85,294.40	89,760.00	6,956.18	56,918.42	32,841.58	63.4%
Reserve for Budget Adjustment	-	10,000.00	-	-	10,000.00	0.0%
Administrative Income	(16,886.25)	(10,000.00)	-	(4,943.42)		
Postage/Supplies/Other	3,997.66	5,200.00	40.31	2,089.63	3,110.37	40.2%
State Audit Charges	12,990.88	15,000.00	2,262.22	5,756.79	9,243.21	38.4%
Contractual Services	142,161.60	175,000.00	130.50	108,002.19	66,997.81	61.7%
Travel	109.09	15,000.00	-	-	15,000.00	0.0%
Registration/Schooling	5,995.00	16,000.00	-	-	16,000.00	0.0%
Other Dues/Subscriptions/Membership	1,752.80	2,500.00	9.95	1,081.30	1,418.70	43.3%
Other Miscellaneous Charges	1,179.23	2,200.00	55.00	1,596.57	603.43	72.6%
Amortization	17,649.00	-	-	-	-	
<b>TOTAL OPERATING EXPENDITURES</b>	<b>569,408.50</b>	<b>634,014.00</b>	<b>32,446.16</b>	<b>361,626.90</b>	<b>277,443.68</b>	<b>57.0%</b>
<b>INTERFUND EXPENDITURES</b>						
Interfund - Office Performance Mgmt Services	389.00	-	-	-	-	
Interfund - Centralized Purchasing	448.85	5,000.00	-	276.75	4,723.25	5.5%
Interfund - Centralized Accounting	1,377.27	1,764.00	-	1,323.00	441.00	75.0%
Interfund - Risk Management	293.00	607.00	151.75	455.25	151.75	75.0%
Interfund - Worker's Compensation	134.00	134.00	33.50	100.50	33.50	75.0%
Interfund - Reprographics	5,043.80	9,412.00	440.15	2,793.15	6,618.85	29.7%
Interfund - IT	39,242.59	39,237.00	3,270.36	22,899.30	16,337.70	58.4%
Interfund - IT Replacement	1,827.00	3,003.00	250.25	1,751.75	1,251.25	58.3%
Interfund - My Spokane	970.64	756.00	-	357.18	398.82	47.2%
<b>TOTAL INTERFUND EXPENDITURES</b>	<b>49,726.15</b>	<b>59,913.00</b>	<b>4,146.01</b>	<b>29,956.88</b>	<b>29,956.12</b>	<b>50.0%</b>
<b>TOTAL ADMINISTRATIVE EXPENDITURES</b>	<b>619,134.65</b>	<b>693,927.00</b>	<b>36,592.17</b>	<b>391,583.78</b>	<b>307,399.80</b>	<b>56.4%</b>

SPOKANE EMPLOYEES' RETIREMENT SYSTEM - 6100  
 2021 EXPENDITURE SUMMARY REPORT  
**AUGUST 31, 2021**

	2020 ACTUAL	2021 BUDGET	AUGUST ACTUAL EXPENDITURES	2021 ACTUAL YTD EXPENDITURES	VARIANCE	PERCENTAGE USED
<b>PENSIONS</b>						
Pensions-Annuity Benefit Payments	29,378,701.18	31,500,000.00	2,587,882.03	20,533,423.30	10,966,576.70	65.2%
Pensions-Disability Payments	114,579.60	135,000.00	9,548.30	76,386.40	58,613.60	56.6%
Pensions-Survivor Annuity Benefits Payments	2,101,833.92	2,500,000.00	179,396.74	1,431,797.80	1,068,202.20	57.3%
<b>TOTAL PENSIONS</b>	<u>31,595,114.70</u>	<u>34,135,000.00</u>	<u>2,776,827.07</u>	<u>22,041,607.50</u>	<u>12,093,392.50</u>	64.6%
Refunds	513,758.34	1,000,000.00	104,570.06	398,800.12	601,199.88	39.9%
<b>TOTAL EXPENSES</b>	<u><u>32,728,007.69</u></u>	<u><u>35,828,927.00</u></u>	<u><u>2,917,989.30</u></u>	<u><u>22,831,991.40</u></u>	<u><u>13,001,992.18</u></u>	63.7%
<b>INVESTMENT EXPENSE*</b>						
Advisory Technical Service	449,834.07	550,000.00	40,106.63	259,394.15	290,605.85	47.2%

\* investment expenses are netted against investment income in the statement of changes of plan net assets to arrive at a net investment income amount.



SERS Schedule of Cash and Investments  
August 31, 2021

9/28/2021

	Type		Allocation		
			Target	Current	Diff.
Cash Held by Treasurer	Cash	\$ 80,121			
US Bank	Short-term Inv	37,000			
<b>Total Cash</b>		<b>117,121</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
Sterling Capital	Total Return	27,773,937			
<b>Total Total Return</b>		<b>27,773,937</b>	<b>10.0%</b>	<b>7.4%</b>	<b>-2.6%</b>
Hotchkis & Wiley	High Yield - Mutual Fund	16,037,243			
<b>Total High Yield</b>		<b>16,037,243</b>	<b>5.0%</b>	<b>4.3%</b>	<b>-0.7%</b>
PIMCO Dynamic	Absolute Return	7,029,765			
Polar	LLC	8,743,480			
Post Limited Term High Yield	Ltd Partnership	6,913,446			
Rimrock Low Volatility	Ltd Partnership	10,578,335			
<b>Total Absolute Return</b>		<b>33,265,026</b>	<b>8.0%</b>	<b>8.9%</b>	<b>0.9%</b>
<b>Total Capital Preservation</b>		<b>77,193,327</b>	<b>23.0%</b>	<b>20.6%</b>	<b>-2.4%</b>
Hotchkis & Wiley	LC Value - Mutual Fund	17,395,537			
MFS Growth	LC Growth - Mutual Fund	18,946,124			
Fidelity S&P 500 Index	LC Core - Mutual Fund	43,038,632			
<b>Total US Large Cap</b>		<b>79,380,293</b>	<b>21.0%</b>	<b>21.2%</b>	<b>0.2%</b>
Sterling	MC Value	6,519,371			
Westfield MC Growth	MC Growth	6,165,125			
Fidelity MC Index	MC Core - Mutual Fund	5,477,436			
Champlain	SC Core	9,631,879			
Bridge City	SC Growth	8,633,232			
Wells Fargo	SC Value - Mutual fund	5,586,215			
Fidelity SC Index	SC Core - Mutual Fund	589,318			
<b>Total US Small/Mid Cap</b>		<b>42,602,576</b>	<b>11.0%</b>	<b>11.4%</b>	<b>0.4%</b>
<b>Total US Equities</b>		<b>121,982,869</b>	<b>32.0%</b>	<b>32.6%</b>	<b>0.6%</b>
Artisan	SMID Value - Mutual Fund	29,056,006			
Euro Pacific	LC Blend - Mutual Fund	26,895,500			
Fidelity International	LC Index - Mutual Fund	-			
<b>Total International Large Cap</b>		<b>55,951,506</b>	<b>15.0%</b>	<b>15.0%</b>	<b>0.0%</b>
Trivalent	SC Value - Mutual Fund	15,444,339			
<b>Total International Small/Mid</b>		<b>15,444,339</b>	<b>4.0%</b>	<b>4.1%</b>	<b>0.1%</b>
Vanguard EM Index	EM - Mutual Fund	564,612			
ABS Emerging Markets	Ltd Partnership	12,031,096			
<b>Total Emerging Markets</b>		<b>12,595,708</b>	<b>3.0%</b>	<b>3.4%</b>	<b>0.4%</b>
<b>Total International Equities</b>		<b>83,991,553</b>	<b>22.0%</b>	<b>22.5%</b>	<b>0.5%</b>
Weatherlow Offshore	Ltd Partnership	22,792,435			
Royalty Opportunities I	Ltd Partnership	1,354,454			
Royalty Opportunities II	Ltd Partnership	897,742			
<b>Total Long Biased</b>		<b>25,044,631</b>	<b>7.0%</b>	<b>6.7%</b>	<b>-0.3%</b>
Metropolitan Real Estate Partners	Ltd Partnership	78,163			
Morrison Street Fund V	LP	745,178			
Morrison Street Fund VI	LP	2,202,515			
Morrison Street Debt Opportunities	LP	2,856,785			
Morgan Stanley Prime	LLC	7,475,967			
Principal (REITs)	REITs	18,163,937			
<b>Total Real Estate</b>		<b>31,522,545</b>	<b>9.0%</b>	<b>8.4%</b>	<b>-0.6%</b>
Contrarian Capital Fund I	Ltd Partnership	10,334,968			
Beach Point	Ltd Partnership	13,721,327			
<b>Total Opportunistic Credit</b>		<b>24,056,295</b>	<b>7.0%</b>	<b>6.4%</b>	<b>-0.6%</b>
Contrarian EM Credit	LLC	5,614,204			
OrbiMed II	Ltd Partnership	4,681,460			
<b>Total Special Opportunities</b>		<b>10,295,664</b>	<b>0.0%</b>	<b>2.8%</b>	<b>2.8%</b>
<b>Total Cash and Investments</b>		<b>\$ 374,086,884</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>
	Monthly Contributions	2,531,861			
	Monthly Pension	\$ (2,881,397)			
	As of July 31, 2021	<b>\$ 369,563,889</b>			
	Estimated Rate of Return	1.3%			
<b>Abs. Return and Total Return FI</b>	Thesis 2017.1	<b>61,038,963</b>	<b>18.0%</b>	<b>16.3%</b>	<b>-1.7%</b>
<b>Equity and Special Situations</b>	Thesis 2017.3	<b>216,270,086</b>	<b>54.0%</b>	<b>57.8%</b>	<b>3.8%</b>

## Cash Recon - Sep

Date	Transactions	Sources	Uses	Balance
<b>8/26/2021</b>	<b>Beginning Balance</b>			<b>2,240,289.83</b>
8/27/2021	Capital Call - Morrison Street VI		(693,058.64)	<b>1,547,231.19</b>
8/30/2021	Payroll Contributions	848,489.96		<b>2,395,721.15</b>
8/31/2021	Redeposit Pension Payment	7,376.75		<b>2,403,097.90</b>
8/31/2021	Sale - Fidelity S&P 500 Index	525,000.00		<b>2,928,097.90</b>
8/31/2021	August Pension Payments	(2,891,110.57)		<b>36,987.33</b>
9/1/2021	Interest	12.18		<b>36,999.51</b>
9/2/2021	Redeposit Pension Payment	450.14		<b>37,449.65</b>
9/3/2021	Distribution - Royalty Opps I	784.00		<b>38,233.65</b>
9/13/2021	Payroll Contributions	842,444.00		<b>880,677.65</b>
9/14/2021	Redeposit/Reissue Pension Payment	4,281.57	(1,331.88)	<b>883,627.34</b>
9/15/2021	Reissue Pension Payment		(838.48)	<b>882,788.86</b>
9/21/2021	Correction - Morrison Street VI/Westfield	30,369.08	(30,369.08)	<b>882,788.86</b>
9/27/2021	Payroll Contributions	856,742.26		<b>1,739,531.12</b>
9/29/2021	Redeposit Pension Payment	225.07		<b>1,739,756.19</b>
9/29/2021	Distribution - Morgan Stanley PRIME	73,799.04	-	<b>1,813,555.23</b>
<b>9/29/2021</b>	<b>Ending Balance</b>	<b>298,863.48</b>	<b>(725,598.08)</b>	<b>1,813,555.23</b>
	<u>Upcoming</u>			
9/30/2021	Sale - Fidelity Mid Cap Index	1,100,000.00		
9/30/2021	September Pension Payments		(2,801,224.79)	

# INVESTMENT CONSULTANT FINALISTS

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October 6, 2021



Spokane Employees'  
Retirement System

# Finalist Presentations

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- Scheduled for October 19th from 10AM to 4PM in Conference Room 5A
- 45 minutes for presentation, 30 minutes for Q&A, with a hard stop at 90 minutes
  - Firm Introduction
  - Reasonability of 7.5% Return Assumption
  - Major Risk Factors in Current Portfolio
  - Working Relationship with Firm for Board and Staff
  - Qualities of a Plan Sponsor to Maximize Consultant Relationship

# Scoring

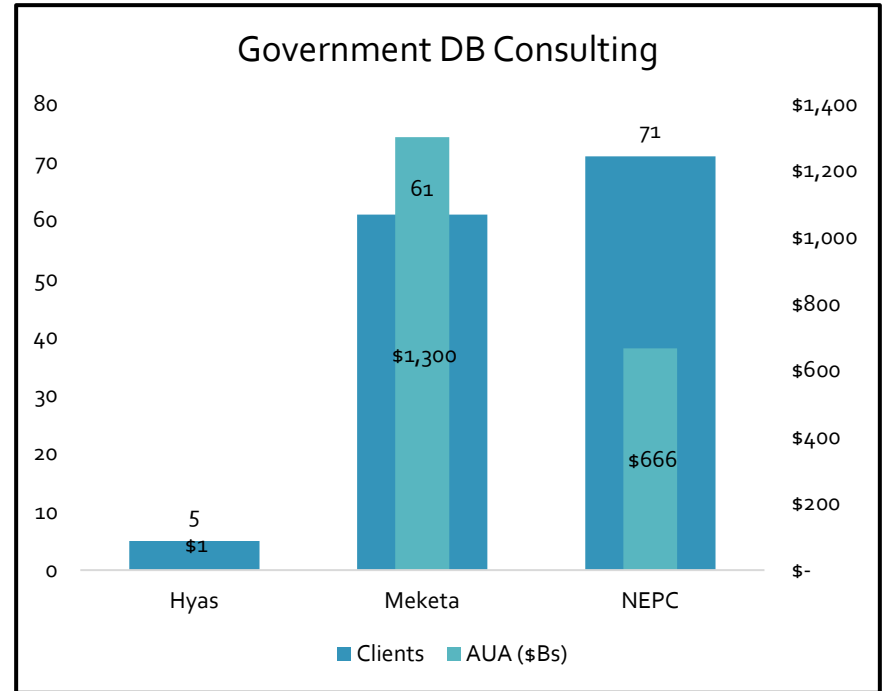
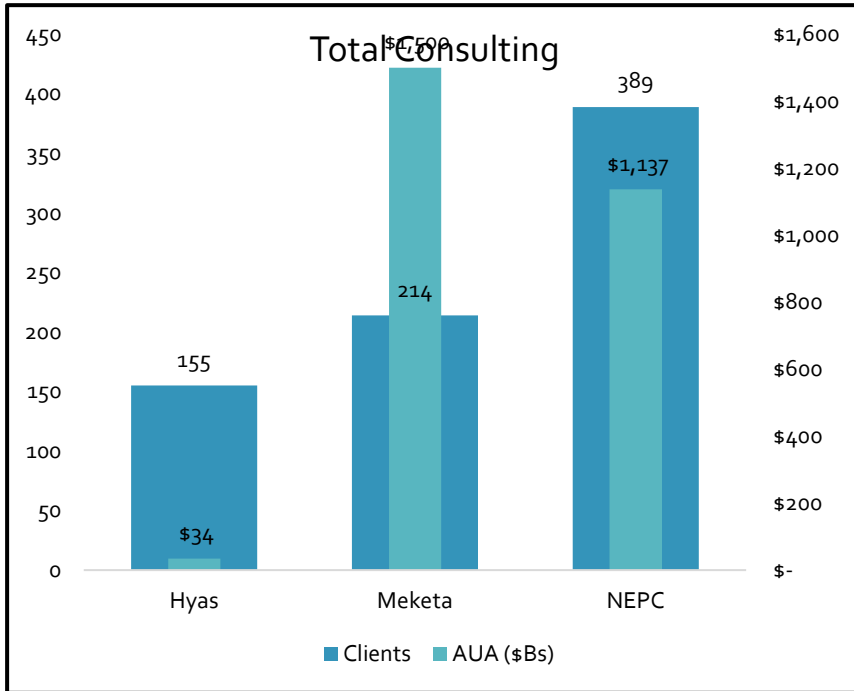
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- Firm Resources
  - Staff, Manager Research, Market Research, Board Education
- Skill of Assigned Personnel
  - Lead Consultant, Back-up Consultant, Direct Support Staff
- Investment Consulting Processes
  - Asset Allocation, Manager Selection, Performance Measurement, Reporting
- Potential Conflicts of Interest
  - Ownership structure, Other lines of business
- Fees
  - Retainer, additional services

# Scoring

Relative	Weight	Callan	Hyas	Meketa	NEPC	RVK	Segal Marco
Firm Resources	20%	5	2	4	5	4	3
Skill of Assigned Personnel	20%	3	5	4	3	3	3
Consulting Processes	40%	5	3	4	5	4	3
Conflict of Interest	10%	3	4	5	4	5	2
Fees	10%	3	5	5	4	4	5
<b>Total</b>	<b>100%</b>	<b>4.2</b>	<b>3.5</b>	<b>4.2</b>	<b>4.4</b>	<b>3.9</b>	<b>3.1</b>
Rank	Weight	Callan	Hyas	Meketa	NEPC	RVK	Segal Marco
Firm Resources	20%	2	6	3	1	4	5
Skill of Assigned Personnel	20%	3	1	2	4	5	6
Consulting Processes	40%	2	5	3	1	4	6
Conflict of Interest	10%	5	4	2	2	1	6
Fees	10%	6	1	2	4	5	2
<b>Total</b>	<b>100%</b>	<b>2.9</b>	<b>3.9</b>	<b>2.6</b>	<b>2.0</b>	<b>4.0</b>	<b>5.4</b>

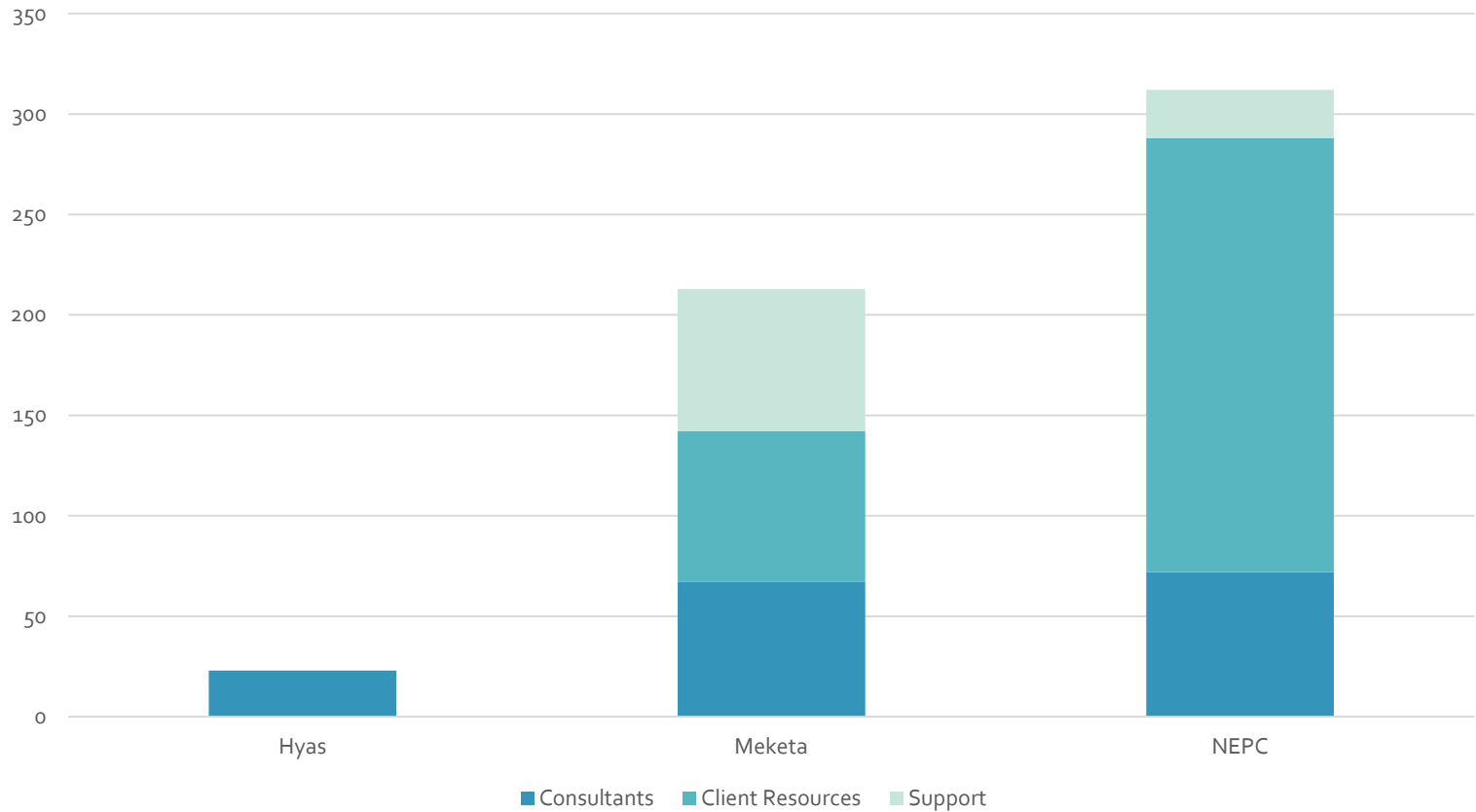
# Firm Resources



		Hyas	Meketa	NEPC
Gov/Total	#	3%	29%	18%
	\$	2%	87%	59%
DB/Total	#	4%	57%	73%
	\$	2%	90%	64%
Gov/DB	#	83%	50%	25%
	\$	100%	96%	92%

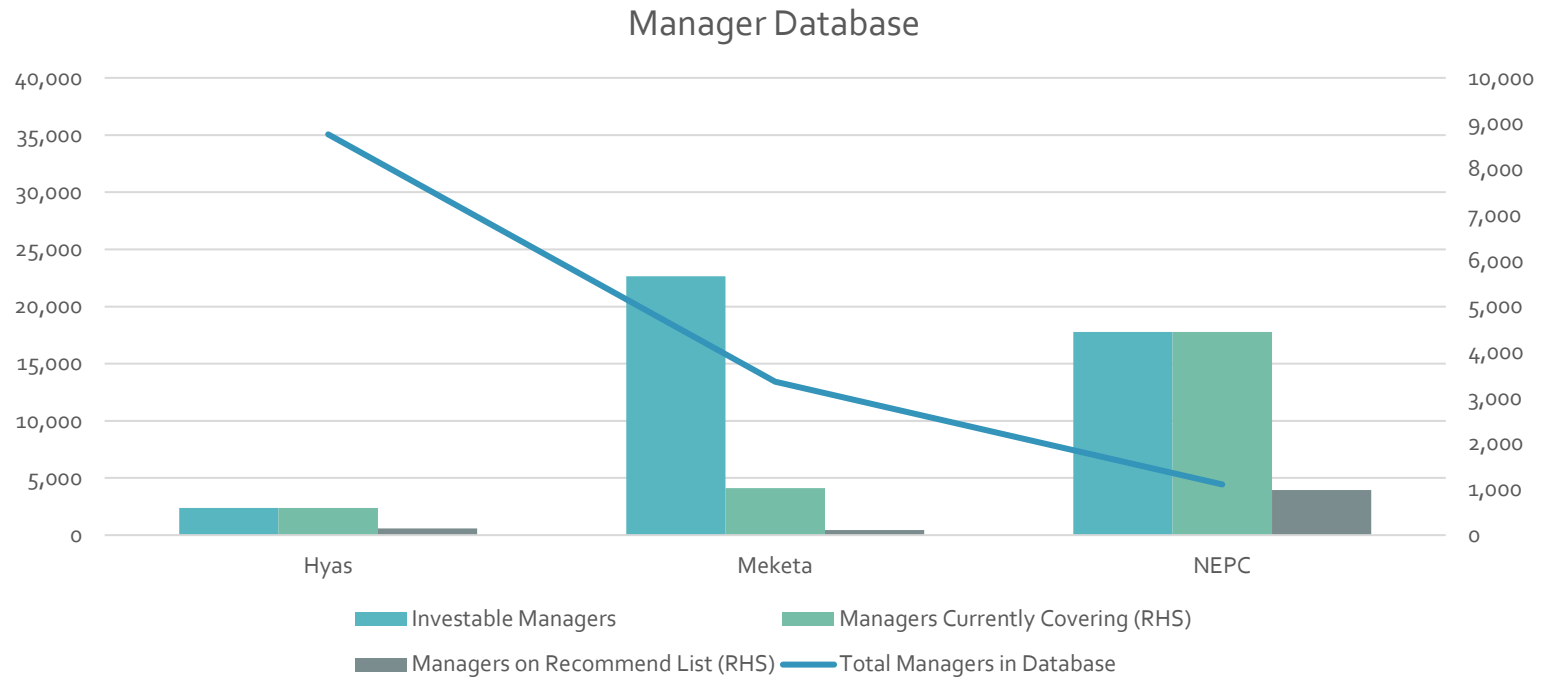
# Firm Resources

Firm Staffing





# Firm Resources



	Callan	Hyas	Meketa	NEPC	RVK	Segal
Coverage Ratio	35.9%	100.0%	18.1%	100.0%	4.1%	58.0%
Recommend Ratio	N/A	24.4%	11.0%	22.2%	20.8%	25.9%

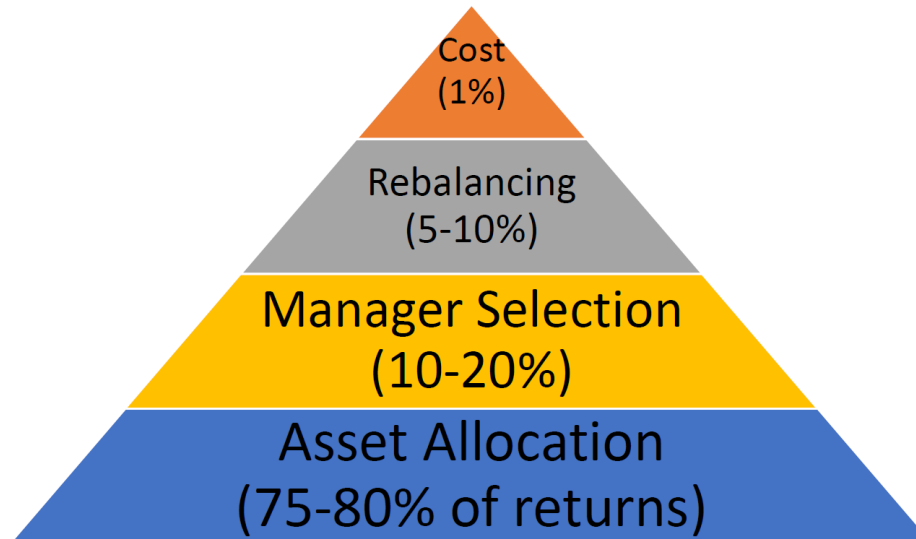
# Assigned Personnel

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	<b>Hyas</b>	<b>Meketa</b>	<b>NEPC</b>
Lead Consultant Clients	18	4	5
Lead Consultant AUA	\$10	\$25	\$11
Back-Up Consultant Clients		4	
Back-Up Consultant AUA		\$2	

# Asset Allocation Models



# Asset Allocation

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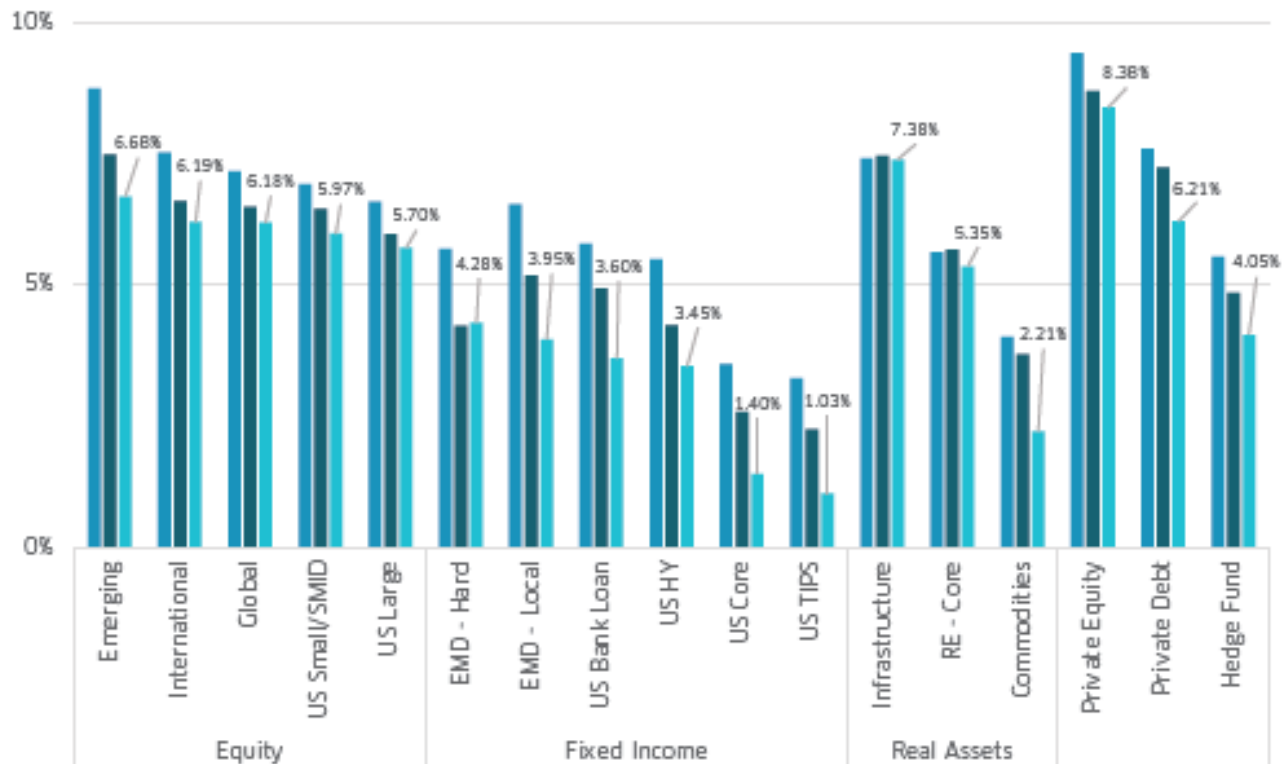
- Hyas
  - Model: Mean Variance
  - Assumptions: Qualitative
  - Performance: Small outperform, Large underperform
- Meketa
  - Model: Mean Variance
  - Assumptions: Qualitative
  - Performance: 7.7% for 5-year, 8.0% for 10-year
- NEPC
  - Asset/Liability Model
  - Assumptions: Qualitative
  - Performance: 28 of 34 years outperform peer group, with better Sharpe

# Consultant Return Assumptions



NASDAQ ASSET OWNER SOLUTIONS

Average Expected Returns (Geometric) - Intermediate Term (10 YR)



2019 Results

2020 Results

2021 Preliminary Results

# Manager Selection - Attribution

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- Hyas
  - Manager Selection: Negative
  - Allocation: Neutral
- Meketa
  - Manager Selection: Did not provide, positive for recommend manager analysis
  - Allocation: Did not provide
- NEPC
  - Manager Selection: Did not provide, positive for recommend manager analysis
  - Allocation: Did not provide

# Conflicts of Interest

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- Hyas
  - Ownership: Employee owned, concentrated (3 partners)
  - Business Lines: Consulting (includes discretionary)
- Meketa
  - Ownership: Employee owned, diversely (61 shareholders)
  - Business Lines: Consulting (includes discretionary)
- NEPC
  - Ownership: Employee owned, diversely (7% max)
  - Business Lines: Consulting (includes discretionary)

# Fees

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- **Hyas: \$600k**

- Base retainer \$120k for life of contract; includes at risk \$'s for not meeting performance standards: \$2k if consultant (lead or back-up) or analysis team don't reply within 24 hours, \$2k if materials not delivered on time, \$5k+ if below target on satisfaction review

- **Meketa: \$600k**

- Base retainer \$120k for life of contract

- **NEPC: \$701k**

- Base retainer \$130k increasing at CPI annually  
*(estimate CPI of 2.0% per year, plus \$5k of travel and postage per year)*