



*Laborers' and Retirement Board Employees'  
Annuity and Benefit Fund of Chicago  
Suite 1300 • 321 North Clark Street  
Chicago, Illinois 60654-4739*

**REQUEST FOR PROPOSAL:  
FULL-SERVICE INVESTMENT CONSULTANT  
FEBRUARY 20, 2015**

**RFP Response Due Date and Delivery**

- (1) Electronic copies of the response must be received by LABF no later than Noon on March 20, 2015. Submissions must be emailed to: [RFP@labfchicago.org](mailto:RFP@labfchicago.org)
- (2) Late responses will not be accepted.
- (3) All RFP responses must be complete in every respect and must answer concisely and clearly all questions proposed by this RFP.
- (4) Inquiries regarding the RFP or the RFP process may be submitted via e-mail to [RFP@labfchicago.org](mailto:RFP@labfchicago.org). Inquiries must be received no later than March 4, 2015. LABF will post a consolidated response to all inquiries on its website by March 6, 2015. LABF will not provide individualized responses to inquiries. If a question appears unclear to you, state your interpretation of the question and answer it accordingly.

# **1. Introduction and Goal of the Request for Proposal for Full-Service Investment Consultant (“RFP”)**

## **a. Introduction**

The Laborers’ and Retirement Board Employees’ Annuity and Benefit Fund of Chicago (“LABF” or “Fund”) was established in 1935 by the Illinois legislature under Article 11 of the Illinois Pension code (40 ILCS 5/11-101 *et seq.*) to provide retirement and disability benefits to its members and their beneficiaries. LABF’s Board of Trustees (“Board”) administers benefits and manages the Fund’s assets. The Board and LABF staff (“Staff”) currently work with 35 professional investment management firms compiling over 50 different investment portfolios. As of December 31, 2014, the market value of the Fund was approximately \$1.4 billion.

LABF requests RFP responses from investment consulting firms (“Prospective Investment Consultants”) able to provide general investment consulting and performance measurement services (“Investment Services”) to its Board and staff. This RFP sets forth qualifications and response requirements to ensure a fair and objective evaluation of responses. Submitting a response may result in the opportunity to negotiate a contract for Investment Services with LABF. The elected Investment Consultant will serve in a fiduciary capacity and will acknowledge in writing the firm’s fiduciary status without qualification. In all cases, the elected Investment Consultant will offer advice to LABF solely in the interest of LABF’s members and beneficiaries.

All forms needed for submitting a response to this RFP are available on the LABF’s website at [www.labfchicago.org](http://www.labfchicago.org). Respondents to this RFP are responsible for monitoring the LABF’s website for information and updates regarding the RFP while the RFP is outstanding.

LABF does not bear any of the costs or expenses incurred by Prospective Investment Consultants in responding to this RFP. Prospective Investment Consultants alone bear all such costs. LABF reserves the right to reject any or all responses submitted. All responses submitted will be evaluated by members of the Staff. Prospective Investment Consultants may be asked to make a formal presentation to the Board. Selection of the Prospective Investment Consultant to provide Investment Services is subject to final approval by the Board.

## **b. Goal**

LABF solicits qualified Prospective Investment Consultants to provide general investment consulting and performance measurement services to the Board and Staff. The intent of the contractual relationship will be to establish an ongoing relationship between LABF and the selected Prospective Investment Consultant for the purpose of providing LABF with advice and technical support related to the management of a well-diversified, billion-dollar investment portfolio through the use of current analytical techniques, concepts, and professional services.

**c. Quiet Period**

The Quiet Period shall commence upon the Board's authorization of the RFP and end when the Prospective Investment Consultant is selected by the Board and a contract is reached with the selected Prospective Investment Consultant.

The purpose of the Quiet Period is to ensure that all Prospective Investment Consultants have equal access to information regarding the search objective and requirements, that the communication is consistent and accurate, and that the selection process is efficient and fair. Accordingly, Prospective Investment Consultants will not contact Board members during the Quiet Period; provided, however, that Prospective Investment Consultant may communicate with the Board during the Quiet Period as long as they do not discuss the RFP with the Board.

The Board and Staff not directly involved in the Prospective Investment Consultant search will refrain from communicating with Prospective Investment Consultants regarding any product or service related to the search during the Quiet Period unless this communication takes place during an interview conducted as part of the Prospective Investment Consultant search.

A Prospective Investment Consultant will be disqualified from the selection process for violating the conditions of the Quiet Period. Offering or providing anything of value to the Board or Staff is unacceptable.

**2. Background Information on LABF**

**a. Portfolio Description**

LABF's portfolio is a diversified and global portfolio having a total market value of approximately \$1.4 billion as of December 31, 2014. The portfolio is managed by outside investment advisors. Assets are held by the LABF's master custodian, The Northern Trust Company.

LABF's asset allocation, as of December 31, 2014, is as follows:

<b>Asset Allocation</b>		
<b>Year ended December 31, 2014</b>		
<b>Asset Category</b>	<b>Target %</b>	<b>Actual %</b>
Cash and Short Term	1.0	1.9
U.S. Fixed Income	6.0	4.9
Global Fixed Income	6.5	11.3
Emerging Mkt Debt	2.5	1.8
U.S. Equity	27.5	25.4
International Equity	11.5	11.1
Global Equity	5.0	12.5
Emerging Mkt Equity	5.0	5.8
GTAA	10.0	10.2
Real Estate	6.0	3.4
Private Equity	6.0	3.4
Hedge Funds	8.0	8.3
Real Assets	3.0	0.0
Risk Parity	2.0	0.0
Total	100.0	100.0

### **3. Services to be Performed**

#### **a. Formulation and Review of Investment Goals, Objectives and Policies**

Recommend overall investment goals, objectives, and policies taking into consideration the market environment, LABF's financial situation and the Board's risk tolerance. Monitor and recommend changes to such goals, objectives and policies as needed.

#### **b. Asset Allocation**

Review current asset allocation and approach. Advise LABF regarding rebalancing activities, including transition of assets. Periodically conduct asset/liability studies and use asset allocation models to determine the influence of different asset mixes and investment strategies on the return/return characteristics of LABF's portfolio.

#### **c. Review of Investment Manager Guidelines, Goals and Objectives**

Review guidelines, goals and objectives for new and existing investment advisors, review benchmarks, recommend revisions, and, if necessary, participate in negotiations with investment advisors to effect revisions.

#### **d. Performance Monitoring**

Perform ongoing review of portfolio performance, underlying investments and investment advisors. Evaluate investment advisor performance in terms of effective implementation of investment strategy, performance versus established benchmarks, organizational stability, manager and fund fees, and adherence to the

investment contract. Identify current and anticipated underperformance within the portfolio, recommend corrective action, and participate in implementing the recommendations. Conduct fee analysis, (re)negotiate fee structure for current and/or proposed investment advisers.

**e. Performance Measurement and Reporting**

Calculate investment performance. Reconcile discrepancies in the returns calculated by your firm using custodial data versus the returns calculated by LABF's investment advisers. Assist Staff in resolving return discrepancies. If appropriate, develop and implement standardized reporting format for investment advisers. Present written and verbal monthly and quarterly reports of investment advisor activities and performance at regular meetings of the Board. At a minimum, the Board is looking for the following:

- (1) Monthly summary reports on the investment performance of the Fund and of each of its advisers including market index returns, highlights of key events during the period and asset allocation.
- (2) Quarterly reports on the investment performance of the Fund, by asset class and by each investment advisor, including an analysis of the current market environment and key events in the financial markets; a review of the performance of the major market indexes; an analysis of the asset allocation of the current investment program; and a return attribution analysis. Quarterly reports will also contain written commentary on the investment results of all portfolios in the context of their objectives and benchmarks; specific commentary on factors affecting performance; and a review of notable organizational issues for each investment advisor.

**f. Investment Advisor Searches**

Conduct public investment advisor searches using an open request-for-proposal process. The elected Investment Consultant must also implement practices that encourage responses from firms owned by minorities, women and persons with disabilities, and demonstrate non-discriminatory practices in the procurement and selection of investment advisers. This includes preparing investment advisor search documents based on criteria defining the need in the investment portfolio. A notice regarding the search for an investment advisor and a link to the elected Investment Consultant's website will be posted on LABF's website.

Review responses with Staff to identify qualified candidates based solely on the evaluation criteria in the request-for-proposal. Prepare a written report for the Board detailing the results of the search identifying all firms owned by minorities, women and persons with disabilities in the report. If applicable, specify the reasons why these firms are not finalists. The report may include a recommendation of investment advisor finalists to be interviewed by the Board.

Arrange and participate in preliminary investment advisor candidate interviews and assist in the finalist selection. Board, Staff and elected Investment Consultant

may interview the respondents. The process may end at this point if there are no qualified investment advisor candidates among the respondents.

Schedule and attend investment advisor finalist presentations. Assist with negotiating appropriate investment manager agreements, including guidelines and investment manager fees. Develop summary interview materials to be used by the Board and assist the Board in selecting the investment advisor(s). The Board will interview finalists and determine if a recommendation for the award of a contract will be made.

The Board has the authority to modify the investment advisor search process to meet its need.

**g. Special Services**

Identify and recommend new investment opportunities, liquidation or restructuring of existing investments, and allocations to new or existing advisors. Inform and educate the Board and Staff regarding significant trends in the financial markets and investment industry.

**h. Meeting Attendance**

Attend the following meetings with the Board and/or Staff:

- (1) Monthly Board meetings;
- (2) Investment performance review meetings;
- (3) Related investment meetings and discussions;
- (4) Formal interviews with existing and potential investment advisors; and
- (5) Ad hoc due diligence meetings with investment advisors and Staff.

**i. Other**

Provide recommendations concerning securities lending strategies. Provide compliance monitoring of the securities lending program.

Conduct fee analysis, (re)negotiate fee structure for current and/or proposed investment advisers.

Provide other such services as may be reasonably asked of a Prospective Investment Consultant by a public pension plan.

**4. Qualifications for the Assignment**

**a. Demonstrated Experience**

Demonstrated experience in providing investment advisory services to large public pension plan clients.

**b. Registered Investment Advisor**

The Prospective Investment Consultant must be registered as an investment adviser under the Investment Advisers Act of 1940. Firm will promptly advise LABF if at any time it is not so registered.

**c. Fiduciary**

The Prospective Investment Consultant must agree to be a fiduciary to the Fund as that term is defined in the Illinois Pension Code (40 ILCS 5/1-101.2) without limitation.

**5. Requirements and Instructions for RFP Completion**

**a. RFP Response Due Date and Delivery**

- (1) Electronic copies of the response must be received by LABF no later than Noon on March 20, 2015. Submissions must be emailed to: RFP@labfchicago.org
- (2) Late responses will not be accepted.
- (3) All responses must be complete in every respect and must answer concisely and clearly all questions proposed by this RFP.

**b. Inquiries**

During the evaluation process, LABF retains the right to request additional information or clarification from Prospective Investment Consultants. LABF may also allow corrections of errors by Prospective Investment Consultants.

Inquiries regarding the RFP or the RFP process may be submitted via e-mail to RFP@labfchicago.org. Inquiries must be received no later than March 4, 2015. LABF will post a consolidated response to all inquiries on its website by March 6, 2015. LABF will not provide individualized responses to inquiries. If a question appears unclear to you, state your interpretation of the question and answer it accordingly.

**c. Disclosure of Response Content**

The laws of Illinois require that at the conclusion of the selection process, the contents of all RFP responses be placed in the public domain and be open to inspection by interested parties. Trade secrets or proprietary information must be clearly identified as such in the response and will not be released to the extent permitted by law.

**d. Disposition of Response**

All RFP responses become the property of LABF and will not be returned to the respondent. LABF reserves the right to retain all responses submitted. Submission of a response indicates acceptance of the conditions contained in this

RFP, unless clearly and specifically noted otherwise in the response submitted and confirmed in the contract between LABF and the selected firm. All responses received will become part of the official Investment Contract.

**e. Signature of Respondent Agent**

The tendered response, and any clarifications to that response, must be signed by an officer of the responding firm or a designated agent legally authorized to bind the Investment Consultant contractually.

**6. General Terms and Conditions of the Contract Including Criteria for the Evaluation of Performance**

**a. Term of Engagement**

The contract will be for a period of 5 years or such lesser period of time as determined by the Board. After 5 years, the contract must be re-bid. The contract can be terminated with or without cause by the LABF upon thirty days written notice. Upon termination of the agreement, the elected Investment Consultant must agree to provide any successor elected Investment Consultant with LABF's historical investment data.

**b. Criteria for the Evaluation of Performance**

Performance will be evaluated based upon successful execution of the services to be performed under the contract and project work.

**7. Selection Process**

LABF reserves the right to award a contract to the firm, which, in its sole opinion, best matches the criteria established in this RFP. LABF reserves the right to reject respondents due to their noncompliance with the requirements and instructions of this RFP. Additionally, LABF reserves the right not to hire, or defer the hiring of, any Investment Consultant.

**a. Selection Process**

Staff shall objectively review the RFP responses to identify qualified candidates. The Board and Staff may interview all, some or none of the RFP respondents and conduct such other due diligence as is prudent under the circumstances.

Staff will prepare a report detailing the results of the RFP process and present the report to the Board. The Board may interview finalists and will determine if an award of a contract will be made.

During the selection process, all respondents to the RFP will be evaluated and ranked based upon:

- (1) Organization - stability, ownership, documented experience of key professionals.



- (2) Consulting Skill - investment philosophy, investment advisor information collection and monitoring systems, risk management tools, performance measurement systems and breadth of consulting expertise and experience.
- (3) Fees - Consulting fees for services requested.

**8. Projected Timeline for Completion for the Investment Consultant Search**

- (a) The RFP will be issued by LABF and posted on LABF's website (<http://www.labfchicago.org>) on February 20, 2015.
- (b) Inquiries from Investment Managers seeking clarification regarding the RFP or the RFP process must be received via email ([RFP@labfchicago.org](mailto:RFP@labfchicago.org)) no later than March 4, 2015.
- (c) LABF will post responses to all inquiries on its website on or about March 6, 2015.
- (d) Responses to the RFP must be received via email ([RFP@labfchicago.org](mailto:RFP@labfchicago.org)) by 12:00 p.m. on March 20, 2015.
- (e) At LABF's discretion, the Board and Staff may schedule interviews with the candidate firms.
- (f) Contract award date is TBD.

*Note: All dates are subject to change at the discretion of the Board. Changes to the timeline will be communicated via the LABF's website.*

**9. Search for Investment Consultant Questionnaire**

**a. Instructions**

Your firm must provide a thorough answer to each question raised in the following section in the same sequence. All pages are to be numbered. Each section must restate each subheading or question followed by your response. Responses must be concise and sufficient in detail to provide a thorough evaluation and assessment. Please label all appendixes appropriately. Supporting material must be clearly referenced to the appropriate questions. Failure to adequately respond may cause for rejection. Material which is promotional in nature should not be used.

**PLEASE COMPLETE, EXECUTE AND INCLUDE  
WITH THE RESPONSE THE FOLLOWING:**



*Laborers' and Retirement Board Employees'  
Annuity and Benefit Fund of Chicago  
Suite 1300 • 321 North Clark Street  
Chicago, Illinois 60654-4739*

**Response to LABF's Request for Proposal:  
Full-Service Investment Consultant**

**Cover Sheet**

**Firm Name:**

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**Address:**

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**Telephone Number:**

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**Fax Number:**

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**Client Contact:**

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**Title:**

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**Date:**

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**E-Mail Address:**

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## **I. Transmittal Letter**

Response shall include a transmittal letter signed by an individual who is legally authorized to bind the Investment Consultant contractually. The letter should include the following:

1. Statement that (i) the RFP response is being made without fraud or collusion and (ii) that the Investment Consultant has not offered any finder's fees, inducements or any other form of remuneration, monetary or non-monetary, to any individual or entity as it relates to the RFP.
2. Statement that discloses any current business relationship or any current negotiations for prospective business with the Fund, the Fund's Executive Director, the Fund's Comptroller or any member of the Board.
3. Statement acknowledging the Investment Consultant will serve as a fiduciary, as defined in the Illinois Pension Code (40 ILCS 5/1-101.2), to LABF, its members and their beneficiaries.
4. Statement acknowledging the Investment Consultant has reviewed LABF's investment-related policies (<http://www.labfchicago.org/investments/policies/>) and that the investment consultant agrees to provide consulting services in furtherance of these policies.
5. Statement that the Investment Consultant meets all other qualifications as described in this RFP and that its response is and will become part of the official Investment Contract.

## **II. Appendix A**

Please attach as Appendix A the expectations (*i.e.*, staff time) that your firm would require of LABF administrative personnel in its servicing of this portfolio.

## **III. Organizational Summary**

1. Is your firm a Registered Investment Advisor under the Investment Advisor Act of 1940? Please also list the federal, state and other regulatory agencies with which your firm is licensed or registered and the type of license held.
2. Please give a brief history of the firm including:
  - (i) the year organized;
  - (ii) the year the firm began providing investment consulting services to clients; and
  - (iii) the firm's ownership and specific details with regard to any affiliated companies or joint ventures.

3. Appendix B. Please attach as Appendix B an organization chart which diagrams the ownership structure and inter-relationships between the parent-subsidary, affiliate, or joint venture entities.
4. Indicate whether investment consulting capabilities were developed in-house or derived through acquisition of talent from another firm. If the latter, indicate when this occurred.
5. Please provide the location and function of each of your firm's offices:

Location	Function	Number of Professionals

6. Which of your firm's offices would service this account? What specific services would be provided by each office?
7. Please list your firm's services (e.g. consulting, asset management, research, etc.) and business arrangements (e.g. referral fees, etc.) and the approximate contributions of each business to your organization's total revenue. Please include fee-based arrangements as well as non-fee-based arrangements (e.g. in-kind compensation). If your firm is an affiliate or subsidiary of an organization, what percentage of the parent firm's total revenue does your firm generate?
8. Appendix C. Please attach as Appendix C details on the financial condition of your firm. The most recent annual reports filed with the SEC will be acceptable, but any recent material changes should be included. Please also include a copy of your most recent ADV Part I and II.
9. Appendix D. Please attach as Appendix D a copy of your firm's most recent policies and procedures addressing business continuity and disaster recovery.
10. Within the past five (5) years, have there been any significant developments in your organization, such as material changes in ownership, restructuring or personnel reorganizations?
11. Please discuss the overall business objectives of your firm with respect to future significant changes or growth, and how you will manage this. Comment on any present or planned areas of emphasis. Be sure to include in your response:
  - (i) total assets or client relationships that will be accepted
  - (ii) limits on number of clients per consultant
  - (iii) current client to consultant ratio
  - (iv) plans to develop and expand resources

- (v) plans to merge with other firms
  - (vi) plans to acquire other firms
  - (vii) plans to spin off subsidiaries
  - (viii) plans to be spun off by a parent firm
12. Over the past five years, has your organization or any of its affiliates or parent, or any officer or principal been involved in any actual or threatened litigation action, administrative regulatory investigations or other legal proceedings related to your consulting or investment activities? If so, provide a brief explanation and indicate the current status or disposition. Under disposition, include any censures or reprimands received.
  13. Has your firm ever violated Rule 206(4)-5 (Political Contributions by Certain Investment Advisers) of the Investment Advisers Act of 1940?
  14. Describe the levels of coverage for errors and omissions insurance and any other fiduciary or professional liability insurance your firm carries. List the insurance carriers supplying the coverage.
  15. Is your firm, its parent or affiliate a broker/dealer? Does your firm trade for client accounts through this broker/dealer? If so, to what extent?
  16. Does your firm provide investment management services? If so, to what extent?
  17. Does your firm have a business relationship with any investment managers/advisors? If so, for what purpose? Please disclose the investment management firms that are clients and the revenue received from these firms during the past five years.
  18. Does your firm permit its staff members to serve on boards of directors? If so, are any restrictions placed on this activity and how is their director compensation treated?
  19. Appendix E. Please attach as Appendix E your firm's employee ethics policy, code of conduct, policy regarding conflicts of interest and/or any similar policies and supply a description of policy monitoring and enforcement procedures.
  20. Appendix F. How many investment management firms are listed in your database? Is the database made available to clients? Please furnish a listing of firms and attach as Appendix F.
  21. Appendix G. Do you track investment advisors that are minority- and/or female-owned businesses or businesses owned by persons with a disability in your database? If so, how many such firms are included? What are the criteria for inclusion? Please provide a list of minority- and/or female-owned businesses or businesses owned by persons with a disability found in your database and attach as Appendix G.

22. Does your firm qualify as a minority-owned business, a female-owned business or as a business owned by a person with a disability as these terms are defined in the Illinois Business Enterprise for Minorities, Females, and Persons with Disabilities Act?
23. In accordance with the Illinois Pension Code (40 ILCS 5/1-113.21), please provide the number of contracts, oral or written, for investment services, consulting services, and professional and artistic services that the investment advisor, consultant, or private market fund has with (i) a minority-owned business, (ii) a female-owned business, or (iii) a business owned by a person with a disability. (See the Illinois Pension Code and Illinois Procurement Code for applicable definitions)
24. In accordance with the Illinois Pension Code (40 ILCS 5/1-113.21), please provide the number of contracts, oral or written, for investment services, consulting services, and professional and artistic services the investment advisor, consultant, or private market fund has with a business other than (i) a minority-owned business, (ii) a female-owned business or (iii) a business owned by a person with a disability, if more than 50% of services performed pursuant to the contract are performed by (i) a minority person, (ii) a female, and (iii) a person with a disability. (See the Illinois Pension Code and Illinois Procurement Code for applicable definitions.)
25. Please disclose and provide detailed information of all conflicts of interests (potential and actual conflicts) and all sources of revenue, as well as any affiliations that may be affected.
26. Are there any circumstances under which your firm, or any individual in your firm, receives compensation, finder's fees or any other benefit from investment advisors or managers, investment funds or third-parties? If "YES," describe in detail.

#### IV. Assets Advised

1. Please complete the following chart:

		12/31/2014	12/31/2013	12/31/2012	12/31/2011	12/31/2010
Public Funds	Total assets advised (\$ millions)					
	Total number clients					
Corporate Plans	Total assets advised (\$ millions)					
	Total number clients					
Taft-Hartley	Total assets advised (\$ millions)					
	Total number clients					
Endowments	Total assets advised (\$ millions)					
	Total number clients					
Foundations	Total assets advised (\$ millions)					
	Total number clients					
Other	Total assets advised (\$ millions)					

Total number clients					
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2. Please list all public pension fund clients currently advised in the format shown below.

Name	Date of Inception	12/31/2014 Market Value (\$ millions)	General Description of Portfolio

3. Please give details on the number, name(s) and asset value(s) of all institutional client relationships gained and lost in the past three years, with reasons for each client lost. Please provide the name, contact, title, and telephone number of three clients which have terminated your firm's services within the past three years.
4. Please provide three U.S. public pension fund consulting clients as references (provide: client name and address; contact name, title, phone number and email address)

**V. Personnel**

1. List the total number of persons employed by your firm:

	Total
Consultants	
Research Analysts	
Performance Measurement Specialists	
Other Professional	
Support/ Clerical	

2. Please list all principal officers, consultants, and client service officers by name, providing appropriate biographical information. Highlight the person(s) who would be responsible for the LABF account. This information should be provided in the format below.

Name	Office Location	Title	Responsibilities	Total Years of Experience	Years with firm	Education Degree / Name of College	Registration Licenses Held

3. Appendix H. For the primary LABF consultant(s) identified above, and for any person(s) serving as a backup, please attach as Appendix H: (i) brief biographies, including any experience servicing public pension fund clients; (ii) total assets

and number of clients advised; (iii) any other duties assigned to the person(s); and (iv) copies of licenses or registrations.

4. Please describe your firm's back-up procedures in the event the primary consultant assigned to this account should leave the firm or is not available to attend a scheduled meeting.
5. Have individuals from your firm ever been disciplined by any government or self-regulatory body for any unethical or improper conduct or been sued by a client?
6. Have any investment consultants or senior research personnel left the firm in the last three years? If so, please indicate when and why. For personnel who have left, indicate job titles, job functions, years with the firm, when they left, and who replaced them.
7. Please discuss the compensation package available to your firm's professional staff, including any incentive bonuses and how they are awarded. Please be detailed and specific without necessarily disclosing dollar amounts.
8. What other programs do you have in place to retain key staff? Please be detailed and specific.
9. Please describe your internal training procedures for consultants, research analysts, and performance measurement specialists.
10. How often would the primary consultant be available for client meetings and meetings with LABF investment advisors?
11. Please fill out the attached Appendix I - Diversity Table. Additionally, as required by the Illinois Pension Code (40 ILCS 5/1-113.21), please identify the number of investment and senior staff and the percentage of investment and senior staff who are persons with disabilities that your firm employs (see Business Enterprise for Minorities, Females, and Persons with Disabilities Act for definitions).
12. Please include a copy of Certificate of Insurance and copy of W-9 and Immigration and Security Form as Appendix J.

## **VI. General Investment Consultant Services Response**

1. Please describe your investment philosophy and process. Include the approach to formulating goals and objectives, and a description of the modeling concepts and related methodology used to perform asset allocation modeling. Also, address the decision-making process and the titles and responsibilities of the various individuals involved in each step of the process.
2. Please describe your investment advisor search process and capabilities. Include descriptions of the development and maintenance of your investment advisor database, and the criteria used to make advisor recommendations.



3. Explain your firm’s approach to including investment management firms owned by minorities, females and persons with disabilities in manager searches.
4. Please indicate, in the format below, the number of investment advisor searches with which you have assisted clients during the last three years:

	Number of Searches
U.S. Equity	
U.S. Fixed Income	
Global Equity	
Global Fixed Income	
International Equity	
International Fixed Income	
Emerging Markets	
Alternative Investments	

5. Please describe your firm’s philosophy in the area of investment advisor fee structures. Please be specific by including your firm’s philosophy on the use and structure of performance based fees.
6. Please provide a description of the methodology by which your firm monitors existing investment performance. Cite specific examples where a client’s portfolio performance was enhanced or a potential problem identified and corrected as a result of your monitoring activities.
7. What specific methods would you use to keep Board and Staff abreast of significant developments in the investment field?
8. Please describe the extent to which you firm would assist the LABF in conducting searches for custodians, securities lending agents, transition managers, cash managers, etc.?
9. Please describe your firm’s capabilities in terms of monitoring the performance of securities lending agents, foreign exchange brokers and transition managers.
10. Describe your firm’s ability to perform trading cost analysis.

**VII. Performance Measurement Consulting Proposal**

1. Describe how your firm will obtain data from LABF’s master custodian and investment advisors.
2. Describe your firm’s quality control procedures. How does your firm verify the accuracy of data received from the master custodian?

3. What is your firm's step-by-step process for return reconciliation? How will discrepancies between your firm and the investment advisors be investigated and resolved?
4. Discuss the timing of reliable performance data and report availability.
5. Does your firm provide on-line performance information?
6. List the investment manager universes that your firm uses to rank investment advisors versus their peers.
7. Please provide LABF with a sample monthly and quarterly reporting package. Are you willing to customize your reporting package?
8. Does your firm's quarterly reporting package contain attribution analysis at the total fund, asset class and investment advisor levels?
9. Does your firm comply with Global Investment Performance Standards ("GIPS")?
10. How would LABF receive index and benchmark returns from your firm? How soon after month-end would this information be available?
11. How would your firm report performance for real estate and alternative investments? Please describe any supplemental analysis your firm can provide for these asset classes.

#### **VIII. Fee Proposal**

1. Please provide a fee proposal for general investment consulting services and performance measurement. The fee quotations should be inclusive of administrative, third party, travel, and all costs of providing the service described in this RFP.
2. Please explain how fees are calculated and billed.

#### **IX. Appendices to Response to LABF's RFP**

1. **Appendix A** Description of Requirements of LABF Personnel
2. **Appendix B** Organizational Charts
3. **Appendix C** Financial Condition of Firm
4. **Appendix D** Business Continuation and Disaster Recovery Policies and Procedures
5. **Appendix E** Conflict of Interest Policy and Description of Policy Enforcement Procedures

6. **Appendix F** Listing of Investment Advisor Database
7. **Appendix G** Listing of Minority and/or Female-owned Businesses or Businesses Owned by Persons with a Disability in your Investment Advisor Database
8. **Appendix H** Biographies of Primary and Backup Consultants
9. **Appendix I** Diversity Table
10. **Appendix J** Certificate of Insurance, Form W-9 and Immigration and Security Form