



*Laborers' and Retirement Board Employees'  
Annuity and Benefit Fund of Chicago*

## **REQUEST FOR PROPOSAL: FULL-SERVICE INVESTMENT CONSULTANT FEBRUARY 1, 2017**

### **INTRODUCTION**

The Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago ("LABF" or "Fund") hereby issues a request for proposals ("RFP") from qualified investment consultants ("Prospective Investment Consultants") to provide general investment consulting and performance measurement services ("Investment Services"). This RFP sets forth qualifications and response requirements to ensure a fair and objective evaluation of responses.

All forms needed for submitting a response to this RFP are available on the LABF website at <http://www.labfchicago.org/investments/investment-opportunities/>. Respondents to this RFP are responsible for monitoring the LABF website for information and updates regarding the RFP while the RFP is outstanding. The Fund's investment staff ("Staff") shall oversee the RFP process. LABF's Board of Trustees ("Board") will be responsible for the final selection of the firm hired.

### **RFP TIMELINE**

Request for Proposal Issued	February 1, 2017
Due Date to Submit Written Questions	February 10, 2017
Q&A Document Posted	February 14, 2017
Due Date for Proposal	February 27, 2017
Interviews	March 21, 2017

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

### **BACKGROUND INFORMATION**

#### **a. About LABF**

Established in 1935, LABF is a pension fund of the City of Chicago. The Board is responsible for the general administration of the Fund. Decisions in regard to awarding mandates shall be made at the sole discretion of the Board in exercising

its investment authority to ensure the prudent investment of Fund assets. The Fund is governed by the Illinois Pension Code. To learn more about the Fund and its policies, please visit the Fund's website at [www.labfchicago.org](http://www.labfchicago.org); and review the Illinois Pension Code, 40 ILCS 5/1 et seq., 40 ILCS 5/1A et seq., and 40 ILCS 5/11 et seq.

**b. Portfolio Description**

LABF's portfolio is a diversified and global portfolio having a total market value of approximately \$1.2 billion as of December 31, 2016. The portfolio is managed by outside investment advisors. Assets associated with separately managed accounts are held by LABF's master custodian, The Northern Trust Company.

LABF's asset allocation, as of December 31, 2016, is as follows:

<b>Asset Allocation</b>		
<b>As of December 31, 2016</b>		
<b>Asset Category</b>	<b>Target %</b>	<b>Actual %</b>
Cash and Short Term	0.0	0.5
Core Fixed Income	3.0	5.3
Global Fixed Income	5.0	10.0
Absolute Return Fixed Income	4.0	0.0
Emerging Markets Debt	4.0	4.1
U.S. Equity	12.0	16.7
International Equity	13.0	10.3
Global Equity	20.0	20.6
Emerging Markets Equity	5.0	6.3
GTAA	7.0	9.9
Real Estate	8.0	5.4
Private Equity	4.0	2.7
Private Debt	3.0	0.0
Hedge Funds	8.0	8.1
Real Assets	4.0	0.0
Total	100.0	100.0

**SCOPE OF SERVICES**

The intent of this RFP is to establish a 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 diversified investment portfolio through the use of current analytical techniques, concepts, and professional services. The selected Prospective Investment Consultant will serve in a fiduciary capacity and will acknowledge in writing the firm's fiduciary status without qualification. In all cases, the selected Prospective Investment Consultant will offer advice to LABF solely in the interest of LABF's members and their beneficiaries. The Investment Services sought by this RFP are as follows:

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

Recommend overall investment goals, objectives, and policies while 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, or as directed by the Board, conduct asset/liability studies and use asset allocation models to determine the impact of different asset mixes and investment strategies on the risk/return characteristics of LABF's portfolio.

**c. Review of Investment Advisor Guidelines, Goals and Objectives**

Review guidelines, goals and objectives of 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, investment advisors and underlying investments. Evaluate investment advisor performance in terms of effective implementation of investment strategy, performance versus established benchmarks, organizational stability, investment advisor 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.

**e. Performance Measurement and Reporting**

Calculate investment performance. Reconcile and work to correct discrepancies in the returns calculated by your firm using custodial data versus the returns calculated by LABF's investment advisors. If appropriate, develop and implement standardized reporting format for investment advisors. 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:

- i. Monthly summary reports on the investment performance (gross and net of all fees) of the Fund, by asset class and by investment advisors along with market index returns, highlights of key events during the period and asset allocation.
- ii. Quarterly reports on the investment performance (gross and net of all fees) of the Fund, by asset class and by 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 performance 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**

- i. Conduct public investment advisor searches using an open request-for-proposal process. The selected Prospective 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 advisors. This includes preparing investment advisor search documents based on criteria defining the need in the investment portfolio.
- ii. 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 should include a recommendation of investment advisor finalists to be interviewed by the Board.
- iii. Arrange and participate in preliminary investment advisor candidate interviews and assist in the finalist selection. Board, Staff and selected Prospective Investment Consultant may interview the respondents. The process may end at this point if there are no qualified investment advisor candidates among the respondents.
- iv. Schedule and attend investment advisor finalist presentations. 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. Assist with negotiating appropriate investment advisor agreements, including guidelines and management fees.
- v. The Board has the authority to modify the investment advisor search process to meet its needs.

**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:

- i. Monthly Board meetings;

- ii. Special Investment meetings of the Board (approximately two (2) per year);
- iii. Ad hoc planning, strategy and due diligence meetings and calls with investment advisors and Staff.

**i. Other Services**

- i. Provide recommendations concerning securities lending strategies. Provide compliance monitoring of the securities lending program.
- ii. Assist the Board in the review of investment advisors placed on the Watchlist.
- iii. Conduct fee analysis, (re)negotiate competitive fee structures for current and/or proposed investment advisors.
- iv. Provide recommendations concerning transition management including, bid evaluation and pre- and post-trade analysis.
- v. Assist LABF, if necessary, in conducting searches for the Fund's master custodian in considerably the same manner as the search for investment advisor stated above.
- vi. Educate the Board and Staff on specific issues designated by LABF and/or recommended by the Prospective Investment Consultant.
- vii. Provide comments and analysis on proposed federal and state legislation affecting the investment portfolio.
- viii. Assist the Staff and Board with written and/or oral presentations to government agencies, legislative committees, auditors etc.
- ix. Meet with Staff at least quarterly to review the investment portfolio, update Staff regarding the current market/new issues and advise regarding improvements to the portfolio.
- x. Work with Staff and legal counsel in the negotiation of contract terms and conditions.
- xi. Provide other such services as may be reasonably asked of a Prospective Investment Consultant by a public pension plan.

**QUALIFICATIONS FOR THE ASSIGNMENT**

**a. Demonstrated Experience and Success**

Demonstrated experience and success in providing investment consulting 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. The Prospective Investment Consultant will promptly advise LABF if at any time it is not so registered.

**c. Fiduciary**

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

**d. Contingent and Placement Fees Prohibited**

The Prospective Investment Consultant must confirm that it has not and will not retain a person or entity to influence (i) the outcome of an investment decision or (ii) the procurement of investment advice or services of LABF for compensation, contingent in whole or in part upon the decision or procurement.

**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 Prospective Investment Consultant.

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** - Reasonableness and competitiveness of fees for services requested.

**EVALUATION OF PERFORMANCE**

Performance will be evaluated based upon successful execution of the services to be performed.

**REQUIREMENTS, CONDITIONS AND INSTRUCTIONS FOR RFP COMPLETION**

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

- i. Electronic copies of the response must be received by LABF **no later than 12:00 PM CST on February 27, 2017 (“Due Date of the Proposal”)**.

Submissions must be emailed to: [RFP@labfchicago.org](mailto:RFP@labfchicago.org). Please note that this email address can support a transmittal of up to 150MB.

- ii. Late responses will not be accepted.
- iii. All responses must be complete in every respect and must answer concisely and clearly all questions proposed by this RFP.
- iv. LABF is not responsible for any costs incurred by the Prospective Investment Consultant in responding to this RFP.
- v. All material submitted in response to the RFP will become the property of LABF. The RFP response submitted by the selected Prospective Investment Consultant will become part of the official contract between the selected Prospective Investment Consultant and LABF (the “Investment Contract”).
- vi. LABF reserves the right to reject any or all responses submitted.

**b. Inquiries**

- i. During the evaluation process, LABF retains the right to request additional information or clarification from Prospective Investment Consultants.
- ii. Inquiries regarding the RFP or the RFP process may be submitted via e-mail to Search Contact at [RFP@labfchicago.org](mailto:RFP@labfchicago.org). Inquiries must be received no later than February 10, 2017. LABF will post a consolidated response to all inquiries on its website by February 14, 2017. LABF will not provide individualized responses to inquiries.

**c. Quiet Period**

The Quiet Period shall commence upon the Board’s authorization of an investment consultant search and end when the search process is complete. Prospective Investment Consultants may not have discussions related to the RFP with Board members or Staff during the Quiet Period. A Prospective Investment Consultant will be disqualified from the selection process for violating the Quiet Period. The Quiet Period for this RFP began January 24, 2017.

**d. Disclosure of RFP Response**

Prospective Investment Consultants are advised that RFP responses are subject to the Illinois Freedom of Information Act (5 ILCS 140). After completion of the RFP process, which may include selection by the Board and successful negotiation of a contract, responses submitted may be viewed and copied by any member of the public, including news agencies and competitors. Respondents to this RFP claiming a statutory exception from the Illinois Freedom of Information Act for information within the Prospective Investment Consultant's submissions must identify relevant language as confidential, and identify in the email transmission of the proposal whether confidential information is included. Further, each page of confidential documentation must be labeled as such. The Prospective Investment Consultant must also specify which statutory exemption applies for each piece of confidential information. The Illinois Freedom of Information Act can be found at the Illinois General Assembly's website (<http://www.ilga.gov/>). LABF reserves the right to make determinations of confidentiality. If LABF disagrees with a Prospective Investment Consultant's confidential designation, it may either reject the proposal or discuss its interpretation of the exemptions with the Prospective Investment Consultants. If an agreement can be reached, the proposal will be considered. If an agreement cannot be reached, LABF will remove the proposal from consideration

**e. Term of Engagement**

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

**f. Transmittal letter**

The RFP Response shall include a transmittal letter signed by an individual who is legally authorized to bind the Prospective 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 Prospective 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 or any member of the Board.
3. Statement acknowledging the Prospective 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 without limitation.



4. Statement acknowledging the Prospective Investment Consultant is a Registered Investment Advisor under the Investment Advisor Act of 1940?
5. Statement acknowledging the Prospective Investment Consultant has reviewed LABF's investment-related policies (<http://www.labfchicago.org/investments/policies/>) and that the Prospective Investment Consultant agrees to provide consulting services in furtherance of these policies.
6. Statement that the Prospective Investment Consultant meets all qualifications as described in this RFP and that its response is and will become part of the official written agreement between LABF and the selected Prospective Investment Consultant.
7. Statement that the Prospective Investment Consultant understands the rules and conditions of submitting an RFP response to LABF as described in this RFP.

**g. RFP Submission Check List**

To be complete, the RFP Response must be submitted by the Due Date of the Proposal and should include the following:

1. Signed Transmittal Letter including all the required statements.
2. Completed RFP Questionnaire.
3. Organizational Charts.
4. Recent Annual reports filed with the SEC and ADV Part I and II.
5. Business Continuation and Disaster Recovery Policies and Procedures.
6. Ethics Policy / Conflict of Interest Policy and Description of Policy Enforcement Procedures.
7. Listing of Investment Advisor found in your firm's Database.
8. Listing of Minority and/or Female-owned Businesses or Businesses Owned by Persons with a Disability found in your firm's Database.
9. Your firm's Minority Certification, if applicable.
10. Completed Diversity Data Excel File.
11. Biographies of Primary and Backup Consultants.

# RFP QUESTIONNAIRE

## Instructions

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

## I. Organizational Summary

1. Please provide the following contact information:
  - (i) Firm name & address(es) (headquarters & Chicago-area office, if applicable)
  - (ii) Primary Contact(s) for RFP (name, title, address, telephone number, fax number, email address)
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. Please attach an organization chart which diagrams the ownership structure and inter-relationships between the parent-subsidiary, affiliate, or joint venture entities. Additionally, per 40 ILCS 5/1-113-14, your firm must provide the following:
    - a. Names and addresses of any entity that is a parent of, or owns a controlling interest in, your firm;
    - b. Names and addresses of any entity that is a subsidiary of, or in which a controlling interest is owned by, your firm;
    - c. Names and addresses of any persons who have an ownership or distributive income share in your firm that is in excess of 7.5%; and
    - d. Names and addresses of any person who serves as an executive officer of your firm.
3. 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.

4. Please provide the location and function of each of your firm's offices:

Location	Function	Number of Professionals

5. Which of your firm's offices would service this account? What specific services would be provided by each office?
6. 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?
7. Please describe the financial condition of your firm and provide the most recent annual reports filed with the SEC. Any subsequent material changes should be included. Please also include a copy of your most recent ADV Part I and II.
8. Please describe your firm's current policies and procedures addressing business continuity and disaster recovery.
9. 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?
10. 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
11. Over the past five (5) 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.

12. Has your firm ever violated Rule 206(4)-5 (Political Contributions by Certain Investment Advisers) of the Investment Advisers Act of 1940? If so, please explain.
13. 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.
14. 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?
15. Does your firm provide investment management services? If so, to what extent?
16. 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 (5) years.
17. 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?
18. Please provide 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.
19. How many investment management firms are listed in your firm's database? Is the database made available to clients? Please provide the list of investment managers found in your firm's database.
20. Does your firm track investment advisors that are minority-, female-owned businesses or businesses owned by persons with a disability in its 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 firm's database.
21. 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? If so, please attach certification.
22. Please fill out the attached Diversity Data Excel file (please note that there are two tabs to be completed). The information requested under "ILPC Required Disclosures" tab is required by the Illinois Pension Code (40 ILCS 5/1-113.21).
23. 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.

24. 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 so, please describe in detail.

## II. Assets Advised

1. Please complete the following chart:

		12/31/2016	12/31/2015	12/31/2014	12/31/2013	12/31/2012
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					

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

Client Name	Inception Date of Relationship	Assets Under Advisement as of 12/31/2016 (\$ 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 (3) years, with reasons for each client lost. Please provide the name, contact, title, and telephone number of three (3) clients which have terminated your firm's services within the past three (3) years.

## III. 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 have primary responsibility 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. For each consultant identified above as having primary responsibility for the LABF account, and for any person(s) serving as a backup, please provide: (i) brief biographies, including any experience servicing public pension fund clients; (ii) total assets and number of clients advised; and (iii) any other duties assigned to the person(s).
4. For each consultant identified above as having primary responsibility for the LABF account, and for any person(s) serving as a backup, please provide three (3) of their consulting clients (preferably U.S. public pension fund clients) as references (provide: client name and address; contact name, title, phone number and email address).
5. 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.
6. 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?
7. Have any investment consultants or senior research personnel left the firm in the last three (3) 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.
8. 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.

9. What other programs do you have in place to retain key staff? Please be detailed and specific.
10. Please describe your internal training procedures for consultants, research staff and performance measurement specialists.

**IV. 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 (3) 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 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.

**V. 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 reporting?
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 that includes the types of asset classes in which LABF invests. Is your firm willing to customize your reporting package?
8. Does your firm comply with Global Investment Performance Standards ("GIPS")?

**VI. 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.