



retirement plans, Endowments/Foundations, and Native American Indian Tribal Trusts. In our Institutional Fixed-Income Investment Management practice we buy/sell (and otherwise manage) fixed-income portfolios for mid-sized banks and insurance companies for both their reserves and for their short term cash accounts. In our Investment Consulting/Management to High Net Worth Individuals, we are part of Charles Schwab's midwest-region's Separate Account Network ("SAN") in which capacity we construct and oversee, primarily, customized municipal bond portfolios.

Purposefully, our Investment Consultants are part of our internal investment committee and assigned specific asset-classes + funds to monitor. One of the strategic reasons that we added fixed-income investment-management was so that our Investment Consultants could see daily (and not just at one-point-in-time at the end of the quarter) the effect of the volatility of the all-important U.S. 10 year treasury curve on those asset classes which they were assigned to monitor. We believed that, ultimately, our clients would be the beneficiaries of this skin-in-the-game perspective. And, we were right. So, it makes us our Investment Consultants very different.

But so that you are perfectly clear, we do NOT buy/sell fixed-income (or any other individual) securities in the retirement-plans on which we consult. Where we do provide both Investment Consulting and Investment Management is in tax-exempt Endowments/Foundations where preservation of principal and customized cash-management is paramount. For those clients, we both construct/oversee diversified portfolios and manage their cash reserves. By so doing, it enables us the flexibility to periodically advise those clients to take investment return off the table and actively manage it as "cash" for their known spending-policy drawdowns.

5. Attach the firm's organizational chart and describe the relationship among the components and the consultant personnel. Indicate if any consulting personnel also perform work for any other component of the firm.

The only overlap of our three (3) lines of business is that representatives from each participate in our internal Investment Committee, (See Exhibit #9).

6. Within the past five (5) years, have there been any changes in ownership, legal or financial restructuring, or personnel reorganizations? Are any contemplated changes in the Firm's structures anticipated, such as mergers, acquisitions, spin-offs, or strategic alliances? If the answer to any of these questions is yes, please explain.

No.

7. References: Provide the names of clients, contact person, telephone number and assets under advisement for:
 - a. Three current public retirement plan clients with at least \$10 million of assets that have used the firm's investment consulting services for at least five (5) years;

Reference #1: State of Iowa
Plan Types: 403(b), 401(a), 457(b)



Plan Size: Combined assets > \$1 billion
Contact: Jennifer Sandusky, Plan Administrator
Iowa Department of Admin. Services
Office: (515) 281-0569
FAX: (515) 281-5102
jennifer.sandusky@iowa.gov

Services rendered: ACG monitors the investment options of the State's six retirement plan providers. In addition, we perform an annual fee and revenue sharing analysis of each provider to confirm fee competitiveness. Every few years we also assist the State in its bid process as it evaluates potential retirement plan providers. Brad Tollander, the proposed lead investment advisor to OSU, has worked with the State of Iowa for 10 years; six years while at Deloitte and four years as a member of Advanced Capital Group.

Reference #2: Hennepin County
Contract Period: Brad Tollander has served Hennepin County for 13 years – the last five in the role of Senior Investment Consultant for Advanced Capital Group
Plan Types: 457
Plan Size: Approximately \$275 million
Contact: Lisa Underhill, Senior Benefits Analyst
Hennepin County Human Resources
300 S. Sixth Street
Minneapolis, MN 55487
Office: 612-543-1122
Lisa.Underhill@Hennepin.US

Services rendered: Brad has served as the Lead Investment Consultant to Hennepin County over the past 10 years. During this time, he has assisted the County in the formation of an oversight Committee, the development of an Investment Policy Statement and helped to educate the Committee on their responsibilities to the Plan and its participants. Brad has assisted the Committee in a vendor review process. On a regular basis, Brad reviews the investments and fees associated with the Plan with the Committee and serves in a role of an advocate for the County if and when vendor issues arise.

Reference #3: Osseo K-12 School District
Contract Period: 2005 - Current
Plan Types: 403(b)
Plan Size: Assets > \$40 Million
Contact: Kelly Benusa
Director of Business Services
701 First Avenue
Sunnyvale CA 94089
Office: 763-391-7022
benusak@district279.org



Services rendered: ACG orchestrated a consolidation of 10+ providers – to one. Many different bargaining groups were involved. And, ACG included them in the process from the beginning. It was a collaborative and tremendous money-saving undertaking. Since that conversion, ACG has served as its investment consultant + educator.

Reference #4: **Bradley University**
Plan Types: 403(b)
Plan Size: Combined assets > \$250 million
Contact: Nena M. Peplow, SPHR
Director of Human Resources/AA-EEO Officer
Bradley University
Office: (309) 677 3223
FAX: (309) 677 3867
nena@fsmail.bradley.edu

Services rendered: TIAA conducted 3-4 annual meetings with plan sponsor to discuss and review data surrounding retirement readiness, business panning for the plan year with regard to proposed current activities and past year accomplishments (such as 404a notice, 5500 reporting, discrimination testing, employee education, etc.) and met with the Retirement Plan Committee to conduct annual Vendor Review/Investment Monitoring.

- b. All investment consulting clients that have terminated their relationship with the firm within the last five (5) calendar years, and provide the reason for termination.

One. FSI, International (Chaska, MN) due to acquisition by Tokyo Electron.

- c. Three defined contribution plan clients you have performed provider searches and due diligence reporting for within the past five (5) years.

CHS, Inc.
5500 Cenex Drive
Inver Grove Heights, MN 55077
Kevin Newton
Director of Benefits
(651) 355-5067
www.chsinc.com

Fortune 100 company (CHSCP) owned by U.S. agricultural cooperatives, farmers and ranchers. 9,000 participants + \$750 Million Plan Assets.

Briggs & Morgan, P.A.
2200 IDS Center
Minneapolis, MN 55402
Ellen Drasin
Director of Human Resources
(612) 977-8468
edrasin@briggs.com
www.briggs.com

Minneapolis based law firm. 400 participants and \$130 Million in Plan Assets.



Musco Lighting
100 1st Avenue West
Oskaloosa, Iowa 52577
Karen Keep
Controller
(641) 673-0411
Karen.Keep@musco.com
www.musco.com

Manufacturing Contractor. Approximately 1,000 participants + \$130 Million Plan Assets

8. Please describe your quality assurance procedures.

We prepare detailed performance information for each fund relative to the appropriate benchmark and peer group as stated in each Client's Investment Policy. And we include in the beginning of each quarter's Investment Review an "Investment Policy Scorecard" which integrates each client's unique IPS criteria and allows us to quickly highlight for clients which funds we/they might pay special attention to. (See Exhibit #10).

This performance information we generally monitor includes, but is not limited to:

- Cumulative (e.g. quarter to date, one-year, three-year, etc.)
- 3 year rolling performance relative to peer group and benchmark
- Calendar year and rolling period results
- Peer group ranking trend analysis over the previous four quarters
- Top 10 holdings
- Sector exposure
- Country exposure
- Market cap exposure
- Growth of \$100
- Manager style analysis
- Risk statistics relative to returns (Beta, Alpha, standard deviation, downside deviation, Sharpe ratio, Information ratio, Sortino ratio)
- Up market and down market capture

We acquire our investment manager data from several sources; Evestment, Morningstar Direct, Bloomberg and Steele Systems are our primary sources of external data. We buttress that data by having direct contact and interviews with fund personnel and managers. We utilize Bloomberg for real time fund and industry news related to the managers and management firms used within our client's retirement plans. This news is delivered real-time to our investment consultants and research analysts for further consideration.

ACG has also developed a propriety analysis tool we refer to as Rolling Periods of Time ("RPT"). This tool allows us to analyze a manager over several unique rolling time-periods rather than just one static period of time. For example, a manager with a 4 year performance history will have only one three-year performance period to analyze. The RPT tool allows us to construct thirteen (13) 3-year periods of time and analyze the manger's risk and return characteristics over numerous periods. And that provides