



THE BENCHMARK IN INVESTMENT CONSULTING

April 6, 2010

CITY OF ARVADA  
Attn: Noel Polanycia  
Purchasing Division  
8001 Ralston Road  
Arvada, CO 80001-8101

Re: RFQ Investment Consultant

Dear Ms. Polanycia,

Please allow this letter to serve as our response to the City of Arvada Request For Qualifications (RFQ) for investment consulting services to the City of Arvada retirement fund investments. Enclosed for your review, please find the requested original hard copy and three CDs of PEI's Statement of Qualifications (SOR).

PEI's proposed fee per plan encompasses the following scope of services outlined in the City of Arvada's RFQ:

- Objectively review the historical investment performance of the investment options offered by each plan;
- Compare investment options to peer group investment alternatives using the same objective criteria;
- Offer recommendations with respect to possible investment alternatives and/or additional investment options, with respect to the current portfolio;
- Provide education to plan participants regarding fund performance, changes, additions, and other topics as requested by the board(s);
- Assist board members with special projects as necessary.

City of Arvada Retirement Plan (CARP)	\$40,000
Police Money Purchase Plan (PMPP)	\$40,000
Executive Defined Contribution Retirement Plan	\$40,000
Voluntary 457 Deferred Compensation Plan	\$40,000

\*Please note, the proposed fees include all travel expenses.

The above annual fees include quarterly performance reporting and quarterly meetings, Investment Policy Statement draft and review, Investment Manager Searches, and secure on-line access to all reports and pertinent plan documents.

Should the City of Arvada's final service requirement differ from the scope of services outlined above, PEI's fees will be adjusted appropriately.

Please feel free to contact me at 973-538-4347, should there be any additional information requested. Thank you for your consideration and I look forward to speaking with you soon.

Respectfully yours,

Greg McCarthy  
Director, Research & Operations  
Senior Consultant

Corporate Headquarters ♦ 15 Independence Boulevard ♦ Warren, New Jersey 07059 ♦ Ph: 973-538-4347 ♦ Fx: 973-538-0935

Atlanta ♦ Chicago ♦ Dallas ♦ Los Angeles  
[www.porteval.com](http://www.porteval.com)



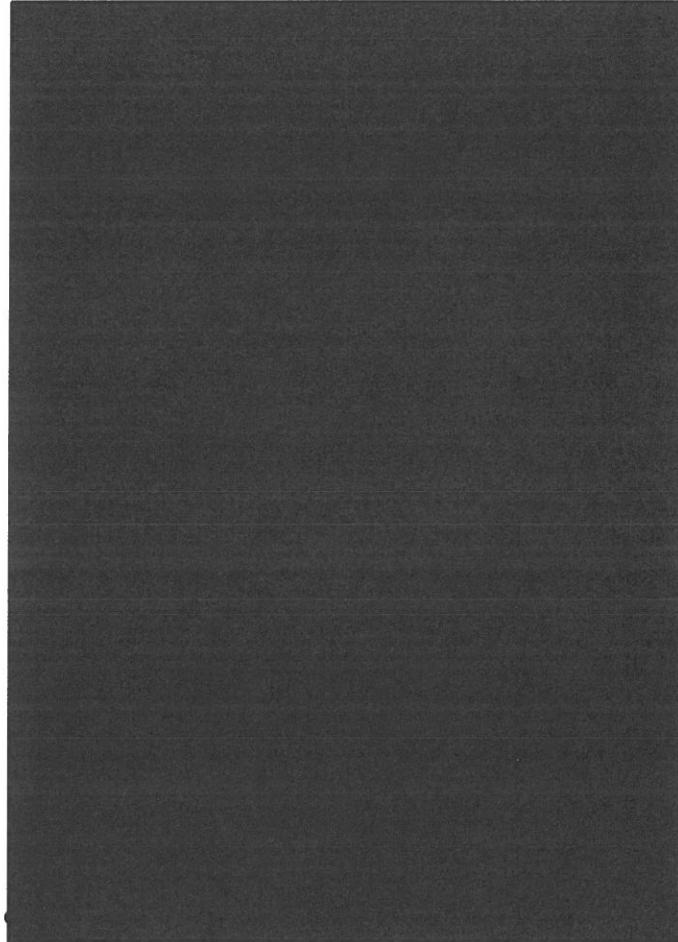
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City of Arvada, CO  
Statement of Qualification

- A. PROPOSAL FORM – Complete (3 pgs, pages 15-17 in pdf), with at least three (3) client references and one (1) client, if applicable, that has terminated the consulting contract within the last three (3) years with duration of the relationship and reason for the termination.

**References:**



**Termination:**

- B. EXPRESSION OF INTEREST – Include one (1) sheet or attachment that
- explains the nature of the firm's interest and understanding of the referenced requirements, as well as the relevance of their expertise.
  - PEI has read and understands the scope of services itemized on page 19 of the RFQ for the four retirement plans detailed on page 18 of the RFQ. PEI will, per the scope of service:
    - Objectively review the historical investment performance of the investment options offered by each plan;

- Compare investment options to peer group investment alternatives using the same objective criteria;
- Offer recommendations with respect to possible investment alternatives and/or additional investment options, with respect to the current portfolio;
- Provide education to plan participants regarding fund performance, changes, additions, and other topics as requested by the board(s);
- Assist board members with special projects as necessary.

We currently advise on over 260 individual plans, 151 of which are defined contribution plans, 2 of which are 457 plans, and 6 of which are deferred compensation plans. PEI advises on 24 plans with participant counts similar to the City of Arvada and its City of Arvada Retirement Plan (CARP). PEI consults on 42 plans with participant counts similar to the Police Money Purchase Plan (PMPP) and the 457 Deferred Compensation Plan, as well as 6 similar to the Executive Defined Contribution Retirement Plan. PEI also advises 15 individual plans with asset values comparable to the four City of Arvada plans.

C. BUSINESS DESCRIPTION – Include:

a. Brief background

PEI is a privately-owned investment consulting firm that was founded in 1992 by Michael Sasso, Richard Torbinski, and Attila Toth. We operate in an independent, non-affiliated capacity to provide financial consulting services to fiduciaries that are responsible for institutional investment plans. These include: 401(k), 403(b), 457, Taft-Hartley, pension, profit sharing, board-designated funds, foundation and endowment, and operational plans.

b. Location(s), size, structure, resources, website

PEI has our corporate headquarters located in Warren, New Jersey – approximately 35 miles from NYC. Further, since our clients are located in more than 20 states, the firm recently opened four other offices in Dallas, Chicago, LA, and Atlanta.

PEI has a very experienced staff to assist the City of Arvada with their investment needs. PEI currently employs 36 investment professionals, including the 3 original founding principals, a dedicated research department, and over 20 investment analysts. The experience of our staff is unprecedented in our industry with an average of 10 years of industry experience per employee, including 7 professionals with more than 20 years of experience each. PEI also employs 5 Chartered Financial Analysts (CFAs), while 5 additional employees are in the process of earning their charter. Also, other PEI professionals have earned the QKA, QPFC, CEBS, CIMA, and CPA designations.

These resources are structured into teams that serve a client's specific requirements. For example, a client-dedicated team typically includes five members: a Lead Consultant, a Supporting Investment Consultant, a Research Specialist, a Senior Investment Analyst, and a Junior Investment Analyst.

PEI has a research team dedicated to the monitoring and selection of investment managers. Each of the senior analysts is assigned one or more asset classes for which they are responsible for screening, monitoring, ongoing due diligence, and selecting top managers. PEI also conducts approximately 150 due diligence meetings with investment managers per year. Approximately half of these sessions are conducted at our home office Warren, NJ.

Our current website is at [www.porteval.com](http://www.porteval.com). PEI has recently added our online fiduciary resource center, which allows clients and their assigned Investment Consultants to upload plan documents for consistent monitoring, making sure they stay relevant to the success of the plans.

c. Major services and expertise

PEI focuses solely on institutional investment consulting. We work primarily with investment committees that oversee large and mid-sized retirement plans. PEI provides the following comprehensive suite of services to effectively serve the fiduciary requirements of retirement plans.

- Development and Review of Investment Policies
- Asset Allocation Modeling and Recommendations
- Performance Measurement and Evaluation
- Comprehensive Fee Analysis
- Investment Manager and Mutual Fund Searches
- Vendor Searches for Defined Contribution Plans
- Fiduciary Checklist

A summary of PEI's strengths that differentiate it from most other firms:

**INDEPENDENCE AND OBJECTIVITY**

- Privately held and independent of any other financial services companies
- No financial relationships with any investment managers or service providers
- Strictly focused on institutional investment consulting

**EXPERIENCE AND COMMITMENT TO QUALITY**

- Specialize in the middle / large market segment of investment programs

- Clients serviced by PEI Partners and Senior Consultants
- Currently service approximately 170 separate consulting relationships
- Establish partnership with clients
- Customize analysis to meet clients' individual needs
- Offer flexibility in reporting
- Use disciplined processes to complete projects within the defined timelines
- Enjoy excellent professional reputation within industry

#### COMMAND OF RESOURCES

- In-house, proprietary performance measurement software
- Utilize two national investment manager databases
- Also utilize S&P, Bloomberg, Zephyr Associates, Value Line, PSN, Morningstar, and Ibbotson Associates
- Leverage talents of 13 experienced investment analysts and 8 experienced senior consultants

#### STABILITY

- 100% owned by principals
- No risk of mergers or acquisitions
- High client retention rate and overall satisfaction
- Consistent, managed growth since inception

#### INTEGRITY

- Never fined or disciplined by SEC, NASD, or any other regulatory agency. Never involved in business litigation or legal proceedings involving consulting activities

#### d. Number of current clients

PEI services 173 individual clients as of December 31, 2009.

#### e. Disclose any business associations with any investment provider or financial product vendor by which your firm is compensated

PEI does not have any affiliated companies. PEI is not associated with any subsidiaries or business partners, is not involved in any joint business ventures, and does not offer any services through a sub-contractual arrangement with another firm. We are completely independent and free of conflicts of interest.

D. EXPERIENCE – Your firm's experience in providing consultation services for 401a and 457 plans, in particular for governmental entities.

PEI provides consulting services for one client with a 401a and 2 clients with 457 plans. PEI has two government clients, one being a Native American Entity, and one municipality currently under advisement.

E. STAFF QUALIFICATIONS - Name and qualification of staff member(s) that would be servicing the City, include resumes. Include any professional certifications

Greg McCarthy, CFA  
Director, Research & Operations  
Senior Investment Consultant  
Investment experience: 15 years  
Role: Lead Consultant

Greg is an investment consultant for clients nationwide. He has worked with corporations, not-for-profits, foundations, endowments, and unions. In addition to his consulting duties, Greg oversees traditional asset class research in domestic equity, foreign equity, global equity, real estate, fixed income, and target date funds. He has co-authored PEI's position paper "A Solution for Evaluating Target Date Funds Using Plan Specific Demographics: Retirement Income Predictor" which served as the basis for his testimony to the ERISA Advisory Council. Since joining PEI in 1994, Greg has had extensive experience with investment policy and investment committee charter development and review, performance evaluation, manager due diligence and selection, asset allocation studies, plan fee benchmarking, and vendor search and selection. He received a BA in Mathematics and Economics from the College of the Holy Cross and MBA from the Graduate School of Management at Rutgers University. He holds the Chartered Financial Analyst designation and is a member of the CFA Institute (CFAI), New York Society of Security Analysts (NYSSA) and Beta Gamma Sigma Business Honor Society. In the past, Greg has taught various Mathematics classes at the County College of Morris and served for two years as a Level II CFA exam grader.

Michael A. Sasso  
Principal  
Investment experience: Over 20 years  
Role: Supporting Consultant

Michael is a Principal and co-founder of PEI and consults clients nationwide. Prior to co-founding PEI, Michael worked at PaineWebber in New York and Princeton, New Jersey. At PaineWebber, Michael worked as both an Investment Executive and as a Retirement Plan Analyst. As a Retirement Plan Analyst, Michael was responsible for establishing new plans and monitoring existing plans

for ERISA regulation compliance. Michael has worked extensively with trustees in the area of portfolio management and fiduciary compliance. His ongoing responsibilities with existing clients include reviewing client's investment policies and strategies, analyzing portfolios with respect to rates of return and risk, asset liability matching, and asset allocation studies. Michael received his BS in Business Administration from Montclair State University and has passed the Series 7 & 63 (Registered Representative) exams. Michael has 19 years of professional experience. He has written articles and spoken at national seminars on topics relating to investment portfolio performance and fiduciary compliance.

**Marcia J. Peters, CFA**

Investment experience: Over 20 years

Role: Lead Investment Support

Marcia is Director of Product Research & Risk Management, overseeing alternative asset class research, including hedge fund, private equity, and alpha enhancing strategies. She has also focused on special projects such as investment fund searches, performance evaluations, liability driven investment strategies, and asset allocation studies. Prior to joining PEI, Marcia was a derivatives specialist for The Goldman Sachs Group, Inc., in their New York office. She covered mutual funds, pension funds, corporate treasury departments, and high net worth individuals, helping them to manage investment return and risk in the currency, commodity and interest rate markets. Her responsibilities included structuring hybrid notes and warrants, creating option and swap strategies, and developing risk management tools. Marcia graduated cum laude with a BSE in Chemical Engineering from the University of Pennsylvania, and an MBA with high honors distinction from The Wharton School. She holds the Chartered Financial Analyst designation and had passed the Series 7 & 63 (Registered Representative) exams. She is also a member of the CFA Institute, the New York Society of Security Analysts, and the Beta Gamma Sigma Business Honor Society.

**Michael C. Amberger**

Senior Investment Analyst

Investment experience: 11 years

Role: Lead Client Support

Michael is a senior investment analyst, focusing on both participant-directed plans as well as trustee-directed plans. He has more than 10 years of Financial Services/Retirement Plan experience. Before joining PEI, he worked with First Investors Corporation, first as a Retirement Consultant, where he trained and supported over 800 investment consultants on retirement plan design and legislative updates, then as a Project Manager in their Executive Sales Department. Prior to that, he worked as a Retirement Specialist with Merrill Lynch in their defined contribution area. In addition, Mike has passed his NASD Series 7 and 66 exams and has earned his BS in Marketing from the State University of New York and MBA in Finance from St. John's University.

F. CUSTOMER SERVICE - Identify the objectives your firm has for serving its clients.

The firm's primary objective when serving its clients is to ensure retirement plan fiduciaries completely fulfill and often exceed their fiduciary responsibilities. Our philosophy is simple: Make all recommendations in the best interest of our client.

We fulfill this objective by ensuring our clients follow and adhere to the Uniform Code of Fiduciary Conduct:

1. Prepare written investment policies and document the process used to derive investment decisions.
2. Diversify portfolio assets with regards to the specific risk/return objectives of participants/beneficiaries.
3. Use professional money managers ("prudent experts") to make investment decisions.
4. Control and account for all investment expenses.
5. Monitor the activities of all money managers and service providers.
6. Avoid conflicts of interest.

Our customer service focuses on establishing close personal relationships with our clients. As a result, PEI enjoys high levels of customer satisfaction partly because our analysis and services are customized to meet a client's specific needs. For example, we provide our clients with a solid understanding of why we are making a recommendation and what impact the decision will have on their overall portfolio. In doing so, our clients can make an informed and educated decision that will ultimately affect the long-term performance of their investment portfolio. Most clients tell us our prudent processes represent one of the most cost effective ways for fulfilling their fiduciary responsibilities.

G. RESPONSE TO ANTICIPATED SCOPE OF WORK - Address how your firm performs such tasks as listed in paragraph 2 of the Scope of Work.

PEI has the ability to provide the City of Arvada with quarterly reporting services encompassing the Scope of Work described in Paragraph 2.

PEI will objectively review the historical investment performance of the investment options offered by each plan. PEI's quarterly performance reports display historical performance of our clients' plans through detailed asset allocation breakdowns, growth summary charts, and plan cash summaries, while comparing these figures against current performance figures.

PEI will compare investment options to peer group investment alternatives using the same objective criteria. All investment options are compared to the peer

groups stated on the manager's reporting sheets. PEI can and currently provides customized benchmarks in our performance reports. These benchmarks are also aligned with the fund's peer group.

PEI will offer recommendations with respect to possible investment alternatives and/or additional investment options, with respect to the current portfolio. PEI's analysis of a client's plan allows our Investment Consultants and Analysts to evaluate the current options in which the client has invested, evaluate costs and performance of the plan relative to the Investment Policy, and provide educated, diligent recommendations to the Investment Committee.

PEI will provide education to plan participants regarding fund performance, changes, additions, and other topics as requested by the board(s). PEI strives to educate the fiduciary on proper investment conduct, strategy, and performance measurements through our performance reporting. PEI also distributes a quarterly newsletter, *The Prudent Press*, to better inform our clients of industry news and trends. Should major changes happen within a fund in the investment line-up, PEI has the ability to issue an *Investment Alert*, notifying our clients of the major happening and what action should be taken.

PEI will provide additional services and special projects should they be requested by the board members.

PEI is willing to tailor our reporting to address the needs and requirements of each plan's investment board.

#### H. LITIGATION - Identify any pending litigation, include a brief description

PEI has never been fined or disciplined by the SEC, NASD, or any other regulatory agency. Further, PEI has never been involved in business litigation or legal proceedings involving consulting activities. Plus, we have earned an excellent professional reputation within the industry.

#### I. INSURANCE - Professional Liability and General Liability Insurance coverage and limits and carrier information.

PEI's liability insurance for error and omissions (E&O) is supplied by D&O Concepts in Livingston, New Jersey. Our policy provides \$3,000,000 of E&O liability insurance for each claim.

Insured services include those in the areas of:

- investment policy statement setting and adherence monitoring;
- existing asset modeling and comparison;
- portfolio performance evaluation and monitoring;
- fee analysis and expense control monitoring; and
- investment management and vendor service evaluation and comparison.

- J. CONTRACT - Standard contract document, if any, that might apply to an agreement with a public entity. Final contract document and format to be determined by the City during negotiations.

Please reference Tab 2 for PEI's Sample Client Contract.

- K. NEGOTIATOR - Identification of the firm's representative that will have the authority and responsibility for contract negotiation.

The PEI representative that will have the authority and responsibility for contract negotiation will be Greg McCarthy.

- L. FEES/PRICING - Standard fee/pricing structure currently applicable. Provide pricing based on services to one, two, three, or all of the plans. Please include all costs, such as retainers, flat fee, hourly rate, all fees that might apply. This information is not used for evaluation purposes.

NOTE: submit in a separate sealed envelope and labeled as such.

Please reference the sealed envelope included within this package for PEI's proposed pricing for the City of Arvada's plans.

- M. Other information deemed pertinent to this RFQ, not to exceed 3 pages.

Please reference Tab 3 for a list of PEI's clients.

Please reference Tab 4 for a sample of PEI's Plan Summary Grid, included in our quarterly presentations, which demonstrates how the investment options included in the plan(s) coincide with the Investment Policy Statement. This demonstration can be customized, understanding that each plan's board may have separate evaluation criteria.

## PROPOSAL FORM - PAGE 1

**SUBMITTED BY:**

Company Name: Portfolio Evaluations, Inc.

Address: 15 Independence Blvd.

4<sup>th</sup> Floor

City: Warren

State: New Jersey

Zip: 07059

Phone: (973) 538-4347

Facsimile: (973) 538-0935

Email: GMcCarthy@porteval.com

**CERTIFICATION: (If a Bid is Offered):**

The undersigned hereby affirms that:

- He/she is a duly authorized agent of the Bidder;
- He/she has read the General Terms and Conditions, the Special Conditions and any technical specifications that were made available to the Bidder in conjunction with this Bid and fully understands and accepts these terms unless specific variations have been expressly listed on the Bid Proposal Form;
- The Submission being offered independently of any other Bidder and in full compliance with the collusive prohibitions specified in the General Terms and Conditions of this solicitation; and
- The Bidder will accept any awards made to them as a result of this Invitation for a minimum of ninety (90) calendar days following the date and time of the bid opening.

By: 

MANUAL SIGNATURE OF AGENT

4/6/10

DATE

Greg McCarthy  
TYPED/PRINTED NAME OF AGENT

Director of Research & Operations  
TITLE OF AGENT

Include Original with Submission  
Affix Manual signature of Authorized Agent.

**NO OFFER:**

Indicate reason(s) why no offer is being submitted at this time.

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## PROPOSAL FORM – PAGE 2

**Prompt Payment Terms:**

Discount: 0 %        Days

Net:        Days

**Variations:**

The Bidder shall identify all variations and exceptions taken to the General Terms and Conditions, the Special Conditions and any Technical Specifications in the space provided below; provided, however, that such variations are not expressly prohibited in the Bid documents. For each variation listed, reference the applicable section of the bid document. If no variations are listed here, it is understood that the Bidder's Proposal fully complies with all terms and conditions. It is further understood that such variations may be cause for determining that the Bid Proposal is non-responsive and ineligible for award:

Page #: \_\_\_\_\_ Item # or Section: \_\_\_\_\_

Variance \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Page #: \_\_\_\_\_ Item # or Section: \_\_\_\_\_

Variance \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Page #: \_\_\_\_\_ Item # or Section: \_\_\_\_\_

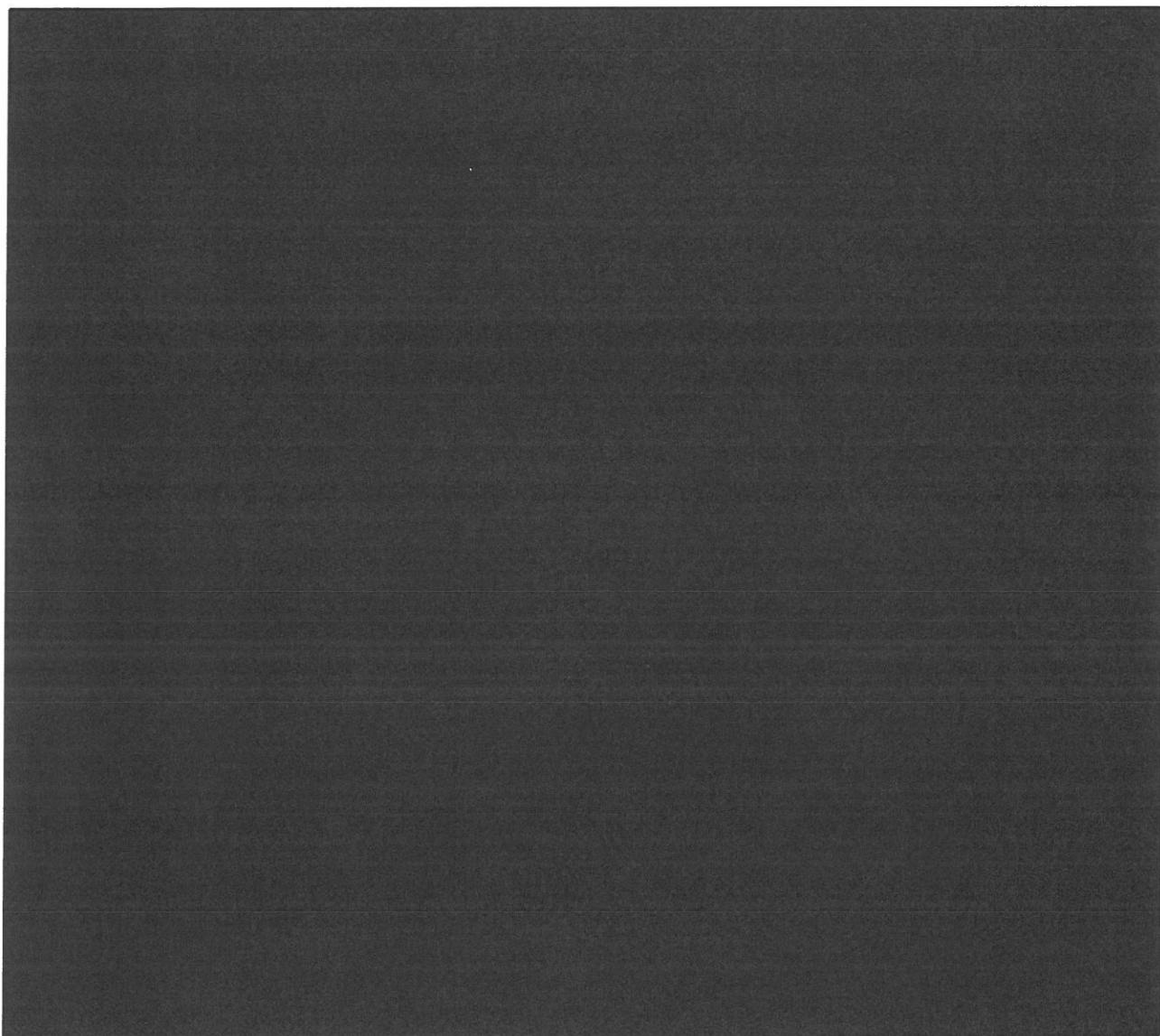
Variance \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Page #: \_\_\_\_\_ Item # or Section: \_\_\_\_\_

Variance \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**PROPOSAL FORM – PAGE 3**

REFERENCES: (MANDATORY)



## **INVESTMENT CONSULTING SERVICES AGREEMENT**

This Agreement is made effective as of the \_\_ day of Month, 20\_\_ between Portfolio Evaluations, Inc. ("PEI") and Sample Client retirement plan (the "Plan").

### **I. RECITALS**

PEI and the Plan desire to enter into this Agreement after due deliberation and in light of the following considerations and circumstances, among others:

1. The Plan is a defined contribution plan;
2. The Sample Client Committee ("Committee") has certain responsibilities regarding the selection and monitoring of the investment funds used in the Plan (the "Investment Funds");
3. The Committee has concluded that it would be in the best interests of the Plan to retain the services of an independent, experienced investment consulting firm that could assist it in evaluating and monitoring certain investment matters, including, without limitation: (i) analyzing on an initial and continuing basis whether the Investment Funds used in the Plan are prudent and suitable given the Plan' investment guidelines; (ii) responsibility for on-going performance monitoring and analysis relating to the Investment Funds; and (iii) responding to questions posed by and offering guidance to the Committee on an ongoing basis concerning investment issues and investment matters related to the Plan; and
4. PEI has the expertise to provide the services described below, pursuant to the terms and conditions stated below.

### **II. SCOPE OF SERVICES**

2.1 Subject to other provisions of this Agreement, the Committee, on behalf of the Plan, hereby selects and engages PEI to assist it by performing the following services for the Plan:

- (a) PEI will review the Plan current investment policy statement (the "Investment Policy Statement") with the Committee based upon investment objectives adopted by the Board;
- (b) PEI will prepare a detailed report (the "Report") for the Committee. This report will include, among other things:
  - (i) An Asset Diversification Review, which will quantify, among other factors, (A) diversification among types of securities within a given Investment Fund, (B) value added to or subtracted from the Investment Fund's performance by the Investment Fund's portfolio management, and (C) possible changes over time in the investment style of the Investment Fund;

- (ii) An internally prepared Investment Fund Analysis that describes in detail the current and historical characteristics of the fund's management, its portfolio, and other influences as may affect the returns and risk of the fund historically and potentially in the future;
  - (iii) A detailed evaluation of each Investment Fund's performance (over at least the last five years) from several different perspectives which may help determine the source and pattern of historical returns and risk, including comparisons to relevant market indices.
- (c) PEI will respond to questions and inquiries from the Committee regarding investment issues and investment matters related to the Plan;
  - (d) PEI will meet with the Committee at PEI's expense to review its report or otherwise provide the services described under this Agreement;
- 2.2 PEI may rely on any information provided to it by the Committee as current, complete and accurate. The Committee acknowledges that the timely provision of accurate, complete and consistent data is essential to PEI's delivery of its services and that the Committee will use its best efforts to ensure that timely and accurate data is received;
- 2.3 Unless otherwise requested by the Committee, the various analyses described in Section 2.1 (b), above, are expressly limited to investments that constitute Plan Investment Funds;
- 2.4 PEI's engagement hereunder is expressly and exclusively limited to an evaluation of Plan Investment Funds. PEI is not being asked, and will not undertake any attempt to evaluate the appropriateness, reasonableness, legality or prudence of Plan design, Plan procedures, Plan administration, accounting or tax implications.

### **III. WARRANTIES AND REPRESENTATIONS**

- 3.1 PEI represents and warrants that:
- (a) It is lawfully empowered to enter this Agreement and perform or provide the services which, pursuant to this Agreement, it has agreed to perform or provide;
  - (b) The person executing this Agreement on behalf of PEI is authorized to do so;
  - (c) The personnel of PEI who will be responsible for carrying out the terms of this Agreement are individuals experienced in performing the services contemplated by this Agreement;
  - (d) PEI acknowledges its independence as to this engagement. PEI has no ownership or affiliation with any investment vehicle currently offered in the

Plan or by any other investment manager or mutual fund. PEI's engagement hereunder shall be exclusively on a fee for service basis with respect to the Plan on the terms and conditions set forth in this Agreement, and PEI (or its affiliates) shall not accept any fees or compensation from any other party or source (whether direct or indirect) in connection with or relating to its services hereunder, including from any Investment Fund or any sponsor, administrator or distributor thereof, without the express written consent of the Committee.

3.2 The Plan and Committee represent and warrant that:

- (a) They promptly will provide and instruct their service providers to provide to PEI the information, resources, cooperation and other assistance reasonably necessary to enable PEI to perform its services hereunder;
- (b) They are legally authorized to enter into this Agreement; and
- (c) The persons executing this Agreement on behalf of the Plan are duly authorized to do so.

**IV. FEES AND EXPENSES**

4.1 The Plan shall pay PEI the following fees for services under the Agreement:

The annual retainer fee of \$\_\_\_\_ will include the following services:

- Develop & Review of Investment Policy Statement
- General Investment Consulting Services
- Quarterly Performance Reports
- Attend Quarterly Meetings as Applicable

PEI will conduct an initial performance evaluation of the investment funds covering the previous five-year period ended Month, Day, Year.

For services listed above, the stated retainer fee will be billed semi-annually and/or quarterly, upon delivery of performance evaluation reports. The terms of the agreement will remain in effect for two years. Additional services such as fund searches, and comparative plan benchmarking can be obtained for an additional fee.

PEI will charge at the hourly rate of \$275.00 for any services requested by the Plan in addition to those enumerated in this Agreement, provided that (1) PEI will obtain advance authorization from the Committee before incurring any such expense; and (2) the services are reasonably related to the scope of this Agreement.

It is agreed that the foregoing payments, as applicable, shall constitute full and complete consideration to PEI for all of the services described and to be provided by PEI hereunder.

- 4.2 PEI agrees that in the event it incurs expenses in performing its services hereunder, any and all expenses shall be borne by PEI, unless otherwise agreed to in writing by the Committee, in advance.

## V. MISCELLANEOUS

- 5.1 Any notice required or permitted pursuant to this Agreement shall be in writing and served upon the other party by first-class mail.

Any notice to the Plan or the Committee shall be addressed as follows:

Sample Client  
Client Contact  
Title  
123 Main St  
Anytown, USA 00001

Any notice to PEI shall be addressed as follows:

Portfolio Evaluations, Inc.  
Attention: Principal  
Somerset Hills Corporate Center  
15 Independence Blvd., 4<sup>th</sup> Floor  
Warren, NJ 07059

- 5.2 The Committee and/or PEI shall be entitled to terminate this Agreement at any time, subject to ninety (90) days' advance written notice. The Plan will pay PEI for all of the services it has provided or otherwise would have provided within the 90 day advance written notice as prescribed by the above fee schedule.

- 5.3 This Agreement states the entire agreement of the parties; is intended as the complete and exclusive statement of their agreement; and may not be modified or amended except by a writing duly executed by the parties.

- 5.4 This Agreement shall be governed by the laws of the State of New Jersey (without giving effect to its provisions on the conflict of laws), to the extent not superseded by federal law.

- 5.5 This Agreement shall be for the benefit of, and shall be binding upon only (a) the Plan, the Committee, and their successors and assigns, and (b) PEI and its successors and assigns.

- 5.6 The titles set forth in this Agreement are for convenience only and shall not be considered as part of this Agreement in any respect, nor shall they in any way affect the substance of any provisions contained in this Agreement.

- 5.7 The provisions of this Agreement are solely for the benefit of the parties hereto and are not intended to confer on any person, except the parties hereto, the rights and remedies herein except as may be required by law.

- 5.8 This Agreement may be executed in counterpart copies, each of which shall be deemed an original, but all of which shall be considered the same instrument.
- 5.9 Neither the Committee nor PEI shall be responsible for any default or delay in the performance of its services or responsibilities hereunder if such default or delay is caused by the non-performance of a third party or due to failure beyond the reasonable control of the party, such as an act of God or outbreak of hostility in a country.
- 5.10 If, at any time subsequent to the date hereof, any provision of this Agreement shall be held by any court of competent jurisdiction to be illegal, void or unenforceable, such provision shall be of no force and effect, but the illegality or unenforceability of such provision shall have no effect upon and shall not impair the enforceability of any other provision of this Agreement.
- 5.11 This Agreement cannot be assigned by PEI without the prior written consent of the Committee. Any such assignment shall be deemed null and void as of the date of such assignment.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below, effective as of the first date shown above on this Agreement.

PORFOLIO EVALUATIONS, INC.

By: \_\_\_\_\_ Date \_\_\_\_\_  
Principal, Portfolio Evaluations, Inc.

**SAMPLE CONTACT**

By: \_\_\_\_\_ Date \_\_\_\_\_  
Client Contact  
Title, Sample Client

PEI's CLIENT LIST

## SAMPLE PLAN SUMMARY GRID

Investment Policy	Fund	TRAILING PERFORMANCE					Calendar Year Performance	Sharpe Ratio	Sector Concentration	Top 10 Concentration	Management	Expenses
		3 Months	1 Year	3 Year	5 Year							
☒	Sample Equity Fund	☒	☒	✓	✓		☒	✓	✓	✓	✓	✓
✓	Sample Money Market Fund	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
✓	Sample Bond Fund	☒	✓	✓	☒		✓	✓	✓	✓	☒	✓
☒	Sample International Equity Fund	☒	☒	✓	✓		☒	✓	✓	☒	✓	☒
✓	Sample Target Date Fund 2005	✓	✓	✓	✓		✓	✓	✓	✓	✓	☒
✓	Sample Target Date Fund 2010	✓	✓	✓	✓		✓	✓	✓	✓	✓	☒
✓	Sample Target Date Fund 2015	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
✓	Sample Target Date Fund 2020	✓	✓	-	-		✓	✓	✓	✓	✓	✓
✓	Sample Target Date Fund 2025	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
✓	Sample Target Date Fund 2030	✓	✓	-	-		✓	✓	✓	✓	✓	✓
✓	Sample Target Date Fund 2035	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
✓	Sample Target Date Fund 2040	✓	✓	-	-		✓	✓	✓	✓	✓	✓
✓	Sample Target Date Fund 2045	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
✓	Sample Target Date Fund 2050	✓	✓	-	-		✓	✓	✓	✓	✓	✓

### Trailing Performance

- ✓ Above the median peer
- ☒ Below the median peer

### Calendar Year Performance

- ✓ Above the median peer at least 3 of the preceding 5 calendar years
- ☒ Below the median peer 3 of the preceding 5 calendar years
- ☒ Below the median peer 4 or more of the preceding 5 calendar years

### Sharpe Ratio

- ✓ Above the median peer
- ☒ Below the median peer

### Sector Concentration

- ✓ No one sector more than 35%
- ☒ At least one sector has between 35-40%
- ☒ Above 40% in any one sector

### Top 10 Holdings Concentration

- ✓ Comprise up to 35% of assets
- ☒ Comprise 35-50% of assets
- ☒ Comprise more than 50% of assets

### Management

- ✓ Average tenure greater than 3 years
- ☒ Average tenure between 1 and 3 years
- ☒ Average tenure less than 1 year

### Expenses

- ✓ Above median peer
- ☒ Below median peer

### Style

- ✓ Same style as last report
- ☒ Different style from last report