



# Proposal

**Investment Consultant Firm**

**FIRE AND POLICE PENSION FUND,  
SAN ANTONIO**



Leading the Way  
IN PENSION PLANS



CAFARO  
GREENLEAF

Advisors to  
Pension Plans  
Nationwide  
Since 1981

September 29, 2011

Mr. Jesús R. Torres, Investment Analyst  
FIRE AND POLICE PENSION FUND, SAN ANTONIO  
11603 W. COKER LOOP; SUITE 201  
SAN ANTONIO, TX 78216

**RE: Investment Consultant Firm - RFP**

Dear Mr. Torres:

Cafaro Greenleaf is pleased to provide our proposal for providing Investment Consulting Services to the Fire and Police Pension Fund, City of San Antonio. We are ideally suited to perform the services contemplated in this proposal, as consulting to retirement programs nationwide while acting as co-fiduciary, is our sole business concern. Cafaro Greenleaf has extensive experience and expertise in this area, and maintains a wholly unbiased and objective approach as independent registered advisor and consultant. All services performed will be executed by Senior Consultant and Principal level advisors, and true leaders in the industry.

Our Supervisory Office is located at:

Financial Telesis, Inc.  
4340 Redwood Highway, A-23  
San Rafael, CA 94903

Our Branch Office and mailing address is:

216 Maple Avenue  
Red Bank, NJ 07701

Please direct all questions regarding this proposal to me, who hereby commits the firm to perform the services outlined in this proposal, and attests to the firm's ability to provide the services requested and contained herein, and to the accuracy of the data we have provided, and is duly authorized to sign this proposal and commit Cafaro Greenleaf to a contract with the City.

Cafaro Greenleaf will work continuously and diligently to meet and exceed your expectations, and deliver the most effective solutions to maximize your Plan's value in attracting and retaining competent Members, and helping to optimize their financial well-being in retirement.

We are thrilled for the prospect of working with the City of San Antonio Police & Fire.

Thank you for the opportunity.

Best Regards,

*Wayne K. Greenleaf Jr., AIF*

Managing Partner / Principal

800.401.4830  
732.530.8165 F  
216 Maple Avenue  
Red Bank, NJ 07701



Advisors to Pension Plans, Nationwide  
*Since 1981*

## Fire and Police Pension Fund, San Antonio

### Investment Consultant Firm - Request for Proposal Response

#### Company Background

1. Provide a brief history of the firm including year of inception, ownership, affiliated and subsidiary companies and relationships, joint ventures, and any business partners.

Cafaro Greenleaf has been retirement plan advisors and consultants to corporate, public, and institutional clients, nationwide since 1981. The firm's primary strengths are: targeted plan design with investment selection implementation, vendor searches and negotiations, in-person participant education services, diligent plan servicing and monitoring, and reducing fiduciary liability. We have received considerable recognition throughout the retirement industry, are frequent and in demand, guest and panel speakers at employer and industry pension forums across the country, write articles and columns for various industry publications, and have testified in front of the US Department of Labor's Advisory Council. Among the most recent awards of our firm and its principals, is our having been named among the *Top 100 Retirement Advisors*, by *planadvisor*<sup>TM</sup> magazine, honoring the country's most successful, dynamic and committed professionals and pension industry leaders.

Cafaro Greenleaf has and continues to work with multiple types of companies, all with different cultures and issues surrounding their plans. We have been able to save employers and their members and participants significant dollars, while enhancing their overall benefit programs, reducing fiduciary liabilities, and lessening the burden on the client.

Cafaro Greenleaf has provided retirement plan advisory services to some of the country's most well recognized companies, such as **The McGraw Hill Companies, Guardian Insurance, The Body Shop,** and the **NJ Highway Authority** to name a few. All with a recognized expertise in Total Retirement Outsourcing (TRO), in negotiating the most competitive fee structures, and in designing and delivering innovative plans.

Cafaro Greenleaf is a wholly independent and unbiased firm, and is not held or owned by any other company.

We are among the founders, and an affiliate of National Retirement Partners (NRP), the leading national network of independent retirement experts who deliver superior products and services to retirement plan sponsors and participants.

All securities are offered through Financial Telesis, Inc., our broker dealer. Financial Telesis is a network of over 180 independent branch offices nationwide, and is headquartered in San Rafael, California.

2. Describe all significant developments with your firm in the last three years, such as changes in ownership, restructuring, personnel reorganization, and philosophy. Disclose any known or contemplated future changes in your organization.

There have been no significant changes in the last three years regarding ownership, restructuring, personnel and philosophy with our firm. We believe in stability and consistency, while providing reliable innovation.

3. Provide the address of your corporate office and a description of the firm, including number and location of offices, number of professional consultants, and scope of services offered. Also indicate which office(s) would service the Retirement System.

Supervisory Office:

Financial Telesis Inc.

4340 Redwood Highway A-23

San Rafael, CA 94903

Financial Telesis consists of 180 Branch offices and 392 financial advisors.

Branch Office:

Cafaro Greenleaf

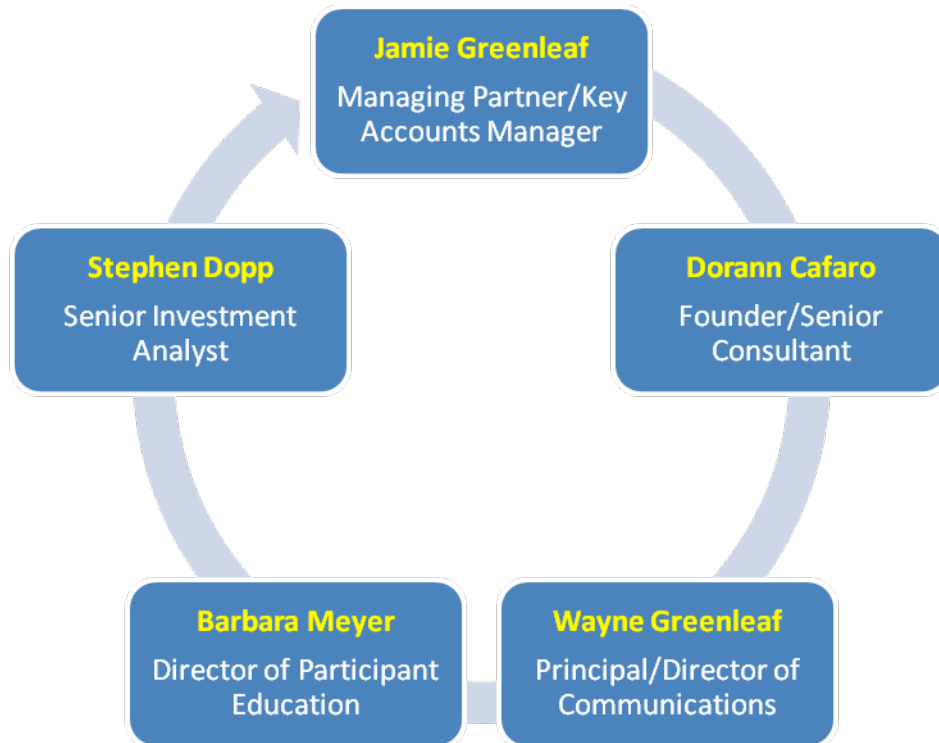
216 Maple Avenue

Red Bank, NJ 07701

Your direct servicing team for the proposed work would consist of five (5) advisors within our branch.

4. Provide an organizational chart of your firm showing functions, positions, and titles of all key personnel involved in consulting services. Provide a brief description of the relationship between each component and the consultant(s) who would service the Retirement System.

Your team will consist of five (5) dedicated professionals that each have a role in servicing your plan. While we define individual roles, we believe that a true team approach allows us to provide more flexibility to our clients and be more affective as consultants. Your lead contact will be Jamie Greenleaf:



5. Describe all of your firm's lines of business and the approximate contribution of each to the total revenue. If your firm is an affiliate or subsidiary of an organization, state percent of the parent firm's total revenue generated by your firm.

Cafaro Greenleaf is *dedicated solely* to the practice of consulting on, and acting as co-fiduciary to corporate, public, and institutional pension plans across the country. This activity constitutes 100% of our revenues.

6. State what you believe distinguishes your consulting services from your competitors. Describe any services of your organization that may not be offered by other consultants.

Cafaro Greenleaf has been widely recognized by others within our industry and has a strong market presence throughout the retirement plan arena. We are committed to internal growth at a controlled level. We continually look to grow as an organization while striving to maintain the personalized level of service that has remained a hallmark of Cafaro Greenleaf since its inception. Before engaging in a new client relationship, we make sure that we can service them on a level that exceeds the scope described in our agreement and will bring on additional resources as necessary.

Most advisors can provide adequate investment reporting and recommendations. While we have invested significant resources into our proprietary and unbiased reporting system, Cafaro Greenleaf brings much more to our clients. Some of the specific areas and services we offer that often set Cafaro Greenleaf apart from other consultants are:

- We act as named ERISA fiduciaries on the Plan.
- In-person, on-demand plan education for members and participants

- Toll-free hotline for member advice on investments and/or the Plan
- Recognized industry leaders and experts, with 30 Years of experience.
- Members and founding members of numerous industry groups such as CFDD, ASPPA & IRCC
- Robust Continuing education commitment for all team members

Some of our recognitions, awards and accomplishments include:

- *PLANSponsor TOP 100 ADVISORS* recognizing “the contributions of the nation's best financial advisors in helping make retirement security a reality for workers across the nation, by *planadvisor* magazine.
- *PLANSponsor* magazine said about a recent Cafaro Greenleaf award : “While we looked to experience, commitment to the business, education, and employer referrals, at the outset, we wanted the award to focus on objective criteria that made a tangible impact on ensuring retirement security. More specifically, we looked for evidence of increased participation rates, enhanced rates of participant deferrals, improved asset allocations, and either reduced fees or expanded service levels—the criteria that have, for years, been most highly sought by plan sponsor respondents to our Defined Contribution Survey”
- *NJBIZ 40 UNDER 40* award honoring the 40 most dynamic and professionally committed business leaders under the age of 40 throughout New Jersey, by *NJBIZ* magazine.
- Named by *401kWire* as one of the industry’s *50 most influential people*.
- Our Founder, Dorann Cafaro was inducted into the national *Hall of Fame of Retirement Advisors*, in 2011 by *PLANSponsor*.

## B Clients

1. For all general, full-service consulting clients with which your firm has a current contractual relationship, provide the following by category:

The following are the current contractual relationships of your assigned team:

Size	All Other Funds
Less \$100 M	45
\$100 M - \$500 M	5
\$500 M - \$1 B	2
\$1 B - \$10 B	2
Greater than \$10 B	0

2. Provide a list of 3 current public fund general or full-service consulting clients with assets greater than \$500 million for whom work similar to that requested in this RFP has been performed by your firm. Include name, contact person, telephone number, asset value, number of years they have been a client of the firm, and the services provided. The Fund may contact any of these clients as references. If you require advance notice of the Fund's intent to make inquiries, please so indicate.



**DB Schenker**

(Formerly) BAX Global, Irvine, CA

Ms. Laura Beckmeyer

Benefits / Insurance Manager

Ph: 914-366-7261

[lbeckmeyer@stinnesusa.com](mailto:lbeckmeyer@stinnesusa.com)

Current / Ongoing Client for 12 years / Complete RIA and Fiduciary Services

Plan Assets: \$205 MM

***The McGraw-Hill Companies***

**McGraw Hill Companies**

Ms. Marty Martin

Director, Human Resources

Ph. 212-512-3473

[Marty\\_martin@mcgraw-hill.com](mailto:Marty_martin@mcgraw-hill.com)

Performed Various Advisory Services over the Past 5 years

Plan Assets: \$2.8 Billion



**Brenntag North America**

Mr. Mark Andriate

Director, Human Resources

Ph: 610-916-3874

[mandriate@brenntag.com](mailto:mandriate@brenntag.com)

Current / Ongoing Client for 12 years / Complete RIA and Fiduciary Services

Plan Assets: \$285 MM

3. State the number of accounts, and value of assets represented in those accounts, lost during the last three years. List this for each one year period ending 2008, 2009, and 2010. Assets?

Cafaro Greenleaf enjoys a very high rate of client satisfaction and retention. We have lost a total of five accounts over the past 3 years, which equates to a 97% annual retention rate. Of the five plans lost; three were companies that were acquired, and the remaining two were the result of a new Plan trustee that had an prior advisor relationships of a new and incoming Plan trustee.

2010 : (2) : \$290mm

2009 : (2) : \$5mm

2008 : (1) : \$10mm

C Standards of Conduct
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1. Has your firm adopted the Code of Ethics and The Standards of Professional Conduct of the CFA Institute? If so, how is employee compliance monitored?

Cafaro Greenleaf acts as a fiduciary for of all our clients, and we must adopt a commitment to acting in the best interests of our participants. This is the code of conduct the CFA Institute adopts as their cornerstone. Cafaro Greenleaf documents all decisions meeting all 10 fundamental ethical principles by:

- making them in the best interest of the participants, including providing annual Benchmark reports;
- assuring that the decision was made to, and continues to, meet reasonable care - including the detailed quarterly reports;



- using our expertise and experience to act with skill, including our plan design services;
- providing retirement services as a fiduciary and being completely independent and objective with no conflicts of interest;
- monitoring and addressing all applicable laws, rules and regulations – we often become the “go to” source for our vendor compliance groups as well as our clients, and we work closely with some of the top ERISA attorneys nationally such as Groom, Reisch, and Wagner to name a few.
- not only taking our fiduciary duty seriously working with plan sponsors, but also in making participant education a cornerstone of our services.
- documenting that all actions are consistent with the established Investment Policy Statement (IPS) and running our quarterly reviews based on the IPS criteria.
- reviewing on a regular basis the efficiency and effectiveness of the plan’s success in meeting its goals and documenting in the annual Benchmarking, including assessing the performance of the investment managers, the recordkeeper, and the administrative providers.
- maintaining confidentiality of plan, participant, and beneficiary information

2. Describe your expertise in assisting clients in developing their own risk management procedures. Please include names of clients and briefly describe the projects for which you have provided these services.

Risk management is an integral part of Cafaro Greenleaf’s approach to decision-making and accountability. An example of our risk management process is as follows:

- The Barton Group Board was concerned that their Defined Benefit (DB) plan had exposed them to too much risk, and they wished to consider terminating, hard freezing or soft freezing the Plan. The Board desired to better control their future unknown risk. Cafaro Greenleaf first identified the value of the DB plan to their business and to their ability to recruit, retain and reward the best employees. We then made an informed recommendation.
- Cafaro Greenleaf designed a unique Liability Driven Investment (LDI) strategy tied to the member and participant profile and benefit payment schedules to better manage the investment risk of the DB portfolio. This strategy reduced cost, reduced Committee burden, and provides excellent risk management in down markets while allowing participation of an up market. The strategy reduced surprises.
- Cafaro Greenleaf monitors the portfolio daily, reports monthly performance verse benchmark, and provides in-depth quarterly reviews.
- This unique and forward looking approach to managing DB risk has provided excellent benefits, and Cafaro Greenleaf has a systematic process in place which we have used to provide risk management for other DB plans.

3. Is your firm, its parent, or any affiliate a registered investment adviser with the SEC under the Investment Advisers Act of 1940? If not, state your fiduciary classification.

Yes – Our broker-dealer, Financial Telesis Inc. is a registered investment advisor with the SEC under the Investment Advisers Act of 1940, of which Cafaro Greenleaf is an independent registered representative. We are named ERISA fiduciaries on all of our Plans.

4. Within the last five years, has your organization or an officer or principal been involved in litigations, SEC investigations, or other legal proceedings relating to your investment consulting assignments? If so, please provide an explanation and indicate the current status or disposition.

In our 30 year history, our organization nor any of our officers been involved in any investigations or legal proceedings from any regulatory organization.

5. Has your firm ever been censured by any regulatory body? If so, please describe the situation.

Cafaro Greenleaf has never been censured by any regulatory body.

D Conflicts of Interest
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1. Explain in detail any potential for conflict of interest that may be created by your firm's providing services to the Fund.

A hallmark of Cafaro Greenleaf is our total independence, and ability to be completely unbiased and objective in advising our clients. We are not aware of any conflicts of interest.

2. Does your firm or an affiliate manage money for clients? Include also whether your firm or its parent or an affiliate is a broker/dealer. Do you trade for your client accounts through your own broker/dealer? Does your firm accept soft dollars as a method of payment for services provided? Do you use soft dollars to make payment for services received? What percentage of your clients has soft dollar arrangements with your firm?

No – Cafaro Greenleaf does not manage money, nor does it accept soft dollars for services provided.

Our independence and unbiased approach are our cornerstones at Cafaro Greenleaf, as we are strictly advisors and consultants, and sell no investment or financial products. We are very sensitive to any potential conflicts of interest, and take all steps necessary to ensure they do not occur at our firm.

3. Describe how conflicts of interest among your consulting functions are prevented if your firm also provides portfolio management or brokerage services, or if your firm also provides consulting services to investment management companies.

Cafaro Greenleaf has a sole focus in retirement plans and does not engage in any individual retail business. We feel that this is the only way to ensure that we are completely unbiased in our approach, and that no doors are left open to potential conflicts of interest.

4. Describe in detail all circumstances under which your firm or any individual in your firm receives compensation, finder's fees or any other benefit from investment managers or third parties, and list all investment management firms or third parties from which your firm has received any compensation within the last five years.

Cafaro Greenleaf does not receive any soft dollars or any other non-disclosed fees or compensation. We have the ability to act as Broker of Record or RIA on our plans. We do note that Cafaro Greenleaf on occasion collaborates with, or is supported by investment companies in the area of educational materials, client seminars, or industry conferences. Any activities in this area are minor in nature, fully disclosed, and available for review.

#### E Staff and Consultants in the Firm

1. How many investment consultants does your firm have?

Cafaro Greenleaf has five consultants within the team/firm.

Financial Telesis, our independent Broker-Dealer network, currently encompasses 392 advisors.

2. Discuss the ways you manage growth, including any limits to the client/consultant ratio.

We are committed to internal growth at a controlled level. We continually look to grow as an organization while striving to maintain the personalized level of service that has remained a hallmark of Cafaro Greenleaf since its inception. Before engaging in a new client relationship, we make sure that we can service them on a level that exceeds the scope described in our agreement and will bring on additional resources as necessary. The current client/consultant ratio is approximately 10:1

3. Describe your company philosophy for recruiting, hiring, and retaining senior personnel.

Cafaro Greenleaf is a boutique firm of advisors with a sole focus in retirement plans. Our growth has been largely driven through reputation and experience. Any person brought into the team must fit into our firm's culture and commit to providing a superior level of service and experience to our clients. Much like our client base, our recruiting is driven through our superior reputation in the industry. Additionally, all employees at Cafaro Greenleaf are compensated at top levels and offered a robust benefit package.

4. Describe how consultants and analysts in your firm are compensated.

Consultants are all well-compensated with base salary plus performance bonuses based on several factors such as performance, growth, and client satisfaction.

#### F Consulting Team

1. Provide name, title, home office location, and biography of the key individual(s) who would be directly responsible for providing consulting services to the Fund, including what year the individual joined your firm, current responsibilities, areas of expertise, experience, education, professional designations, and memberships. Detail their roles and the scope of their involvement for this assignment.



**Jamie D. Greenleaf, AIF®**  
General Partner / Principal

A recognized expert in the retirement plan space, Jamie has been with Cafaro Greenleaf for 18 years and a principal and partner since 1995. She holds a B.A. in Business Administration from Delaware Valley College, is a Registered Financial Advisor with Series 7, 24, 63, and 65, is Life Insurance licensed, and has earned the Accredited Investment Fiduciary® (AIF®) professional designation awarded by the Center for Fiduciary Studies. Jamie has been a recognized Vice President, Retirement Plan Advisor with UBS Financial and a Vice President, Retirement Advisor with Prudential Securities, consistently ranking among the top advisors and producers at both firms. Jamie was named one of the *TOP 300 Most Influential Advisors in Defined Contribution* by *401k Wire™* and has presented at the national *Mid-Size Pension Management Conference*. She recently was named one of *planadvisor™* magazine's *Top 100 Retirement Plan Advisors* in the nation. She has provided consulting services in all areas of plan management and oversight, including plan design, fees and services benchmarking, investment management selection and monitoring, fiduciary and regulatory compliance, investment policy design, and financial education to many public entities and Fortune 500 and other publicly traded companies. These clients include such well-known names as McGraw Hill, Avis Budget, Guardian Insurance, The Body Shop, Meridian Health, and the NJ Turnpike Authority, to name a few.

Jamie is known for her extensive knowledge and passion for the Pension Industry, and her keen ability to guide, support and educate Plan Trustees, Plan Sponsors, and Plan Participants and members alike.



**Dorann Cafaro, AIF®, PRP®**  
Founder, Senior Consultant

Dorann is the firm's founder, with roots going back as far as 1981. She also is among the founders for National Retirement Partners, a leading national network of independent retirement experts. Dorann has been widely nationally recognized throughout the retirement industry. She was named Retirement Advisor of the Year by PLANSPONSOR magazine, was named by 401k Wire as one of the 50 most influential people in the 401k retirement industry, is a frequent and keynote speaker on the retirement industry at national

conferences and seminars, has provided retirement education and consulting services for Fortune 500 companies, and has testified in front of the USDOL. Dorann was inducted into the national *Hall of Fame* for Retirement Advisors in 2011.

Dorann has been a Regional Director of Retirement Services for Prudential Investments, a Corporate V.P. and National Director of Retirement Planning for PaineWebber, and a Senior Vice President of Marketing for a leading money management firm. She holds a B.S. from Marquette University in mathematics, and is Series 7, 8, 63, 65 and Health and Life licensed. With 30 plus years in the financial industry, Dorann is recognized for her unique and unbiased consulting advice, and genuine care for the financial well-being of the retirement plan, sponsor, and above all, members and participants.



**Stephen Dopp**

Consultant/Investment Analyst

Stephen Dopp is recognized throughout the retirement industry for his knowledge in the Defined Contribution and Defined Benefit marketplace.

Stephen joined Cafaro Greenleaf in 2011 as an Advisor and Senior Investment Analyst. Prior to joining Cafaro Greenleaf Stephen spent 6 years building and managing a successful financial planning practice where his practice focused on designing portfolios for institutional clients. Given his affinity towards the qualified plan industry, he moved on to Newport Capital Group where he served as Vice President for a division that oversaw more than \$1 billion dollars in retirement assets. Stephen is passionate about education on both sponsor and participant levels and has delivered educational presentations and investment reviews nationwide.

Stephen is FINRA registered series 7, 63 and 65 and maintains his Life and Health Authorities. He is also a candidate for his Accredited Investment Fiduciary, AIF®, Chartered Financial Consultant (ChFC) and Chartered Life Underwriter (CLU) designations.



**Wayne K. Greenleaf Jr., AIF®**

Managing Partner / Principal

Wayne joined the firm as an equity partner in 2007, with the primary focus of infrastructure and business development, strategic partnering, and overall company growth. He has since earned the Accredited Investment Fiduciary® (AIF®) professional designation, awarded by the Center for Fiduciary Studies. An entrepreneur by nature, Wayne has an extensive and storied business career and has received both local and national recognition for his accomplishments. His first business, which he founded and served as President for 17 years, was named by Inc. magazine as one of the fastest growing private companies in the country in its annual listing of the Inc. 500. He has been the focus of many local and regional newspaper articles on his various business endeavors and successes. Wayne's career achievements were further acknowledged by his appointment to the New Jersey Workforce Investment Board, a group of state business leaders influencing policy and methods of employment development throughout the state. In 2009, Wayne was named one of NJBIZ™ Magazine's *Forty Under 40* Award winners, honoring the forty most dynamic and professionally committed business leaders under the age of 40 throughout the state.

2. State whether the individuals assigned to the work have any responsibilities other than providing consulting services, and if so, specify such responsibilities.

The key individuals assigned to this Plan, do not have any responsibilities within the firm other than providing superior consulting services to our clients and their Plans.

3. What are the procedures for addressing this account when the lead consultant or other assigned personnel are unavailable?

It is a very rare circumstance when you will not have direct and on-demand access to your lead consultant. Upon this unlikely occurrence, you will be directed to the Senior Consultant or the Investment Analyst for the brief time that she may be unavailable.

4. Describe your firm's backup procedures in the event that key personnel in this assignment should leave the firm.

Because of our "team" approach and centralized database, Cafaro Greenleaf would be able to adequately transition should a member of our key personnel leave the firm.

## G Research

1. Describe your firm's philosophy and resources, including history of experience in the following areas:

Performance Evaluation and Reporting;

Cafaro Greenleaf has built a proprietary evaluation and reporting system that is customizable to meet our individual client's needs. We invest significant resources into our system, and we feel that it is the most reliably innovative and effective in the industry.

- Asset Allocation;

For the proposed solution for the San Antonio F&P Pension, we would propose constructing a customized *glidepath* strategy that maps to your benefits. This *Liability Driven Investment* Strategy utilizes indices to adhere to the customized *glidepath*. The use of these indices dramatically reduce expenses, while at the same time greatly mitigating risk.

- Investment Policy;

Cafaro Greenleaf has over thirty years of experience in designing and implementing customized Investment Policy Strategies. This document should lay out the roadmap for your strategy while giving the committee the flexibility to make adjustments as needed.

- Manager Search (by asset class);

Cafaro Greenleaf maintains a robust database of managers as part of our proprietary system. Each manager is scrutinized both through quantitative measures and qualitative analysis to ensure that they are the optimum fit for the underlying asset class.

2. Describe the internal structure and organization of your research department. If no separate department exists, describe how this function is performed.

Cafaro Greenleaf's research team is managed by Stephen Dopp, our Senior Investment Analyst. His team is responsible for all analysis of investment vehicles. This function is performed using our proprietary system to analyze the quantitative data feeds and a strict due diligence process regarding all investment providers that we use.

3. Describe the manner in which external resources and sources of information are used in the research process. How does your firm integrate internal and external research?

Often times there is external research that is used by our research team. This could be investment specific or sector specific. It is critical to evaluate all information necessary in order to develop an implementation strategy. We also rely on reporting companies to generate data used in our research.

Internally, we use our data management system, perform due diligence meetings with management companies, and work very closely with investment providers to ensure there is no deviation from their established objectives.

4. Describe the type, subject matter, and frequency of research provided to clients, and provide an example.

In addition to our quarterly investment analyses, Cafaro Greenleaf consistently keeps out clients up to date with all relevant research or published data about the underlying investment management teams. This could be in the form of research papers, spreadsheets, releases and personal meetings with individual managers.

5. Describe your ability to provide customized computer-based analytical tools to your clients. Please describe features.

Computer-based analytical tools are typically vendor specific and robust in nature. This could include benefit calculators, real-time data, back-testing capabilities and glidepath analysis. On the member or participant level this could include retirement calculators, live data feeds and access to libraries of article and white papers.

6. List any relevant research papers written by your firm.

N/A – We are however frequently solicited for comments and opinions throughout industry periodicals, resources, and organizations.

## H Asset Allocation

1. Discuss the theory, methodology, and process your firm uses in determining the investment strategy and asset allocation. Please include information about the asset allocation models your firm employs and a brief explanation of how you develop asset class assumptions.

The asset allocation is driven from the understanding of what the Plan assets are trying to accomplish (ie protect, meet future liabilities). The Investment Policy Statement development is a collaborative effort between the investment committee and Cafaro Greenleaf using "best practices".

Selection and monitoring the managers hired to meet those responsibilities is a critical aspect of retirement plan management. Cafaro Greenleaf utilizes an in-depth and objective process to select and continuously review managers. We bring a discipline process conducting in-depth research utilizing both proprietary and external data to screen thousands of potential managers or solutions. Both quantitative and qualitative analysis are used to identify leading portfolio managers. Cafaro Greenleaf seeks to identify and select managers/funds with strong histories of success, expertise in specific investment styles, fiducially sound philosophies and fit the guidelines outlined in the IPS.

For the investment strategy for the City of San Antonio P&F pension, Cafaro Greenleaf would propose the design of a *Liability Driven Investment* strategy that would be mapped to the benefit schedule of the fund. We would utilize a combination of individual glidepath's that utilize index funds as underlying investments. These individual glidepath's are developed through Global Index Advisors and each underlying glidepath would have a unique asset allocation designed towards a particular year. Cafaro Greenleaf would then build the customized combination of these based on the liabilities of the fund. In summary, we focus on *known* factors such as Plan demographics and benefit payment schedules, rather than *unknowns* such as the economy, or a consultants view of the market. Investing is geared toward *desired outcomes*, not product category behavior - and with a proven track record.

2. What variables would your firm consider essential in reviewing and developing long-range strategies for the Fund?



Our *Liability Driven Investment* strategy relies on actuarial data to build a program that meets your liabilities. Using this method, we eliminate manager risk and invest according to our benefit schedule. It is our biggest responsibility to ensure that the underlying glide paths follow a sound process and provide enough flexibility to adjust as needed.

3. Describe your policy for changes to a pension system's asset allocation with changes in the market environment.

After we build out the mapping of investments, the portfolio will reallocate on a monthly basis and adjust towards our benefit schedule accordingly.

4. Discuss your firm's view on risk management from an asset allocation perspective. Describe the tools you use here.

Risk inside your portfolio is determined by the glidepaths and the underlying indices that are used to create your allocation. The underlying investments themselves do not adjust for macro-economic factors that may drive individual managers to make emotional adjustments.

5. Does your firm have a process to allow the Fund to review alternative market conditions? If so, briefly describe.

With the investment philosophy and solution that we are proposing, it would not be necessary for the fund to review alternative market conditions. However, we have the ability to do so if needed.

6. Describe your firm's philosophy regarding strategic versus tactical asset allocation.

Strategic asset allocation employs a passive approach which we strongly advocate at Cafaro Greenleaf. With our solution, we are eliminating market timing, manager risk and liquidity risk from the equation. While there is a place for a tactical allocation strategy in certain circumstances, a passive approach proves to be the most efficient and cost-effective solution to institutional investors.

7. Is your firm capable of performing asset/liability modeling studies? How many certified actuaries does your firm employ that work in this area of your firm's research?

Cafaro Greenleaf is a firm of retirement and pension plan consultants. We do not house an actuarial group. We do however have several strategic relationships with various top actuarial organizations.

## I Investment Policy Development and Review

1. Describe your philosophy and process for development of:

- overall investment policy as well as investment policy for specific asset classes;

We develop an individual investment policy statement with each of our clients that is specific to that client. This will detail criteria for portfolio design, responsibilities of all parties, and commitments of adherence. Within the IPS, we will lay out policy for individual asset classes which addresses items such as overall plan risk budget, criteria used for analysis, and standards for each investment.

- client investment objectives, especially public pension clients.

Investment objectives are foremost determined by the Plan demographics and benefit payment schedules of the members and participants, and can be implemented public or private.

2. Outline your process for analyzing a client's investment portfolio structure.

When analyzing portfolio structure, we break down assets from an individual perspective and then an overall portfolio structure. Depending on each objective, we break down portfolio's attribution analysis into several distinct reports that are client specific. We will use these reports to help us determine an investment policy moving forward. For the San Antonio F&P funds, the portfolio structure will be determined by the glidepath developed specifically for your Plan.

J Investment Manager Database & Research (Traditional and Alternative)
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1. Does your firm maintain an in-house database of investment managers? If not, from what vendor do you purchase the database?

Cafaro Greenleaf does maintain an in-house database of investment managers, within our proprietary investment reporting system.

2. How many traditional managers and how many products are included in the database your firm uses?

Our proprietary system currently tracks over 400 investment companies and over 4,000 products.

3. If the database you use is proprietary, describe the risk management procedures that have been implemented to protect it.

Our database is proprietary, and is web-based, which virtually eliminates risk of loss. Further - Cafaro Greenleaf is highly prepared for most any potential contingency. Our systems are backed up daily, and monitored and maintained regularly – all off site. Additionally, we have significant duplication within the company as the vast majority of our documentation is stored with our service partners such as our broker-dealer, record-keepers, vendors, and investment providers.

4. Do you or the vendor you use charge direct or indirect fees for investment managers to be included in the database? If so, describe the fees.

There are no fees for investment managers to be included in the database.

5. With regard to “Alternative Assets” (broadly defined as Real Estate, Private Equity, and Hedge Funds), describe your firm’s research facility for each area.

Our research and due diligence remains the same whether using a traditional or an alternative investment. We also visit and speak with managers directly and regularly in the course of our research.

6. How many searches did you conduct in each area in 2010? List this by asset class for traditional managers and for Alternatives, list by Real Estate, Private Equity, Hedge Funds, and (including fund of funds).

<b>Traditional</b>	
Large Growth	14
Large Value	6
Large Blend	8
Mid Growth	13
Mid Value	5
Mid Blend	4
Small Growth	8
Small Value	5
Small Blend	1
Foreign	11
Fixed Income	5
Stable Value/Money Market	25
<b>Alternative</b>	
Real Estate	6
Private Equity	9
Hedge Funds	11

7. List your firm’s Alternative Asset Research organizational chart.

Investment Analyst, Stephen Dopp plays the lead role in Alternative Asset Research for the firm. He is supported by Barbara Meyer, Registered Financial Advisor.

## K Investment Manager Searches

1. Describe your philosophy and methodology used in evaluating and selecting investment managers.

Selection and monitoring the managers hired to meet those responsibilities is a critical aspect of retirement plan management. Cafaro Greenleaf utilizes an in-depth and objective process to select and continuously review managers. We bring a discipline process conducting in-depth research utilizing both proprietary and external data to screen thousands of potential managers or solutions. Both quantitative and qualitative analysis are used to identify leading portfolio managers. Cafaro Greenleaf seeks to

identify and select managers/funds with strong histories of success, expertise in specific investment styles, fiducially sound philosophies and fit the guidelines outlined in the IPS.

2. Describe your firm's methodology and source of data for analyzing and evaluating a potential manager's performance. Describe how risk is factored into this analysis. Discuss any attribution analysis that is performed.

Each manager is analyzed first against their benchmark, but more importantly how their philosophy fits into the texture of your portfolio. There may be a manager whose attribution may be stellar in a vacuum, but whose holdings either contradict or dilute our overall investment strategy.

3. What qualitative factors do you evaluate when researching investment management organizations? How does your firm identify qualitative problems at investment organizations? How is historical performance used in your evaluation?

Cafaro Greenleaf puts a tremendous amount of emphasis on due diligence as it relates to qualitative analysis. A fact sheet is only a snapshot of an investment and not an organizational audit. With that in mind, we routinely interview and visit with key personnel at all major investment companies and track any deviation from infrastructure through our reporting system.

## L Performance Review, Analysis, and Reporting

1. Describe your firm's performance analysis philosophy and discuss the portfolio analytics your firm is capable of providing, including factors you consider to be critical in reporting performance and give reasons why this approach is superior to others. Is this service performed by your firm or through an outside vendor and can we access the information via the web? If you outsource, please identify the vendor and detail all quality controls in place.

Cafaro Greenleaf has a state-of-the-art, proprietary reporting and analysis system. This system draws from the following data feeds:

- Mobius database
- PSN database
- S&P database
- M-Search Investment Manager database
- Morningstar database
- fi360 database
- Zephyr database

What separates us with our proposal to the San Antonio Fire and Police pension is our proprietary Defined Benefit Solution that we could employ immediately upon being awarded the business. Our solution addresses the following:

- A shift in focus toward *Liability-Driven Investing* (LDI), and what that means for the Plan
- Using *known* factors in Plan demographics and benefit payment schedules to drive the Plan, rather than relying on *unknowns* such as the economy or a consultant's view of the market

- Investing geared toward *desired outcomes* – not product category behavior, and with a *proven track record*.
  - Significantly *reducing* the Plan expenses (by as much as 50%)
  - Adhering to your fiduciary responsibilities while maximizing protection and improving the Plan
  - Can be applied to all DB plans, whether freezing, terminating or maintaining your plan
2. Does your firm meet the requirement that all performance reporting complies with CFA Institute Performance Reporting Standards?

Cafaro Greenleaf acts as a fiduciary for of all our clients, and we must adopt a commitment to acting in the best interests of our members and participants. This is the code of conduct the CFA Institute adopts as their cornerstone. We employ a set of standards that is more specific to the retirement plan industry and in most cases is more stringent than GIPS. As fiduciaries, we need to address funds from a performance perspective while adhering to a strict fiduciary standard specific to your defined benefit Plan.

3. Do you reconcile your calculated performance with investment managers' and custodians' reports? If yes, please describe.

All of our plans have several layers of audits. Your investment reports are first checked on the record keeper level, then by Cafaro Greenleaf, and then reconciled against all published reporting in order to assure accuracy.

4. What amount of input may the client have in the content and format of an investment performance evaluation report? Do you have the ability to customize reports for your clients?

Our reporting is proprietary and is easily customizable to address clients specific wishes.

5. Who will be responsible for working with the Fund to design the standard performance evaluation report and for compiling the report each quarter?

Your direct contact for investment reporting is Stephen Dopp who manages the reporting system, as our chief investment analyst. You will always have an open line of communication with Stephen, and he and/or your lead consultant, Jamie Greenleaf will attend each of the eight (8) annual meetings.

6. What asset classes are tracked in your performance measuring system? How many managers are included within each asset category?

Our performance measuring system tracks all available major asset classes and tracks managers from all investments whose total assets under management exceed \$50 Million dollars. This includes the following asset classes:

Diversified Emerging Markets  
 Diversified Foreign  
 Diversified World  
 Europe  
 General Intermediate-Term  
 General Long-Term  
 General Short-Term  
 General Ultrashort-Term  
 Government Intermediate-Term  
 Government Long-Term  
 Government Short-Term  
 International Hybrid  
 Japan  
 Large Blend  
 Large Growth  
 Large Value  
 Latin America  
 Mid Blend  
 Mid Growth  
 Mid Value  
 Muni California Intermediate-Term  
 Muni California Long-Term  
 Muni National Intermediate-Term  
 Muni National Long-Term

Muni New York Intermediate-Term  
 Muni New York Long-Term  
 Muni Short-Term  
 Muni Single State Intermediate-Term  
 Muni Single State Long-Term  
 Pacific/Asia  
 Pacific/Asia (ex Japan)  
 Small Blend  
 Small Growth  
 Small Value  
 Specialty Precious Metals  
 Specialty Communications  
 Specialty Emerging Markets Bond  
 Specialty Financial  
 Specialty Health  
 Specialty High-Yield  
 Specialty International Bond  
 Specialty Multisector  
 Specialty Natural Resources  
 Specialty Real Estate  
 Specialty Technology  
 Specialty Utilities  
 U.S. Hybrid

7. Describe the database/universe used by your firm for performance reporting. Is it an in-house product, or do you purchase the information? Describe any public fund components of this database as related to number and size of entities and amount of assets involved.

Cafaro Greenleaf has invested significant resources in monetary terms as well as human capital, into our firm's proprietary Plan and Investment Reporting System. All of our investment services are done in-house, and we subscribe to four distinct outside databases and analytic services for investment research.

- Cafaro Greenleaf reviews the following for each investment monitored according to the Plan's Investment Policy Statement:
- over 12 performance criteria: 5 yr R-squared, 1,3 & 5 year return verse peers, 5 yr Up-Down ratio, 3 & 5 yr information ratio, 3& 5 yr Beta, manager tenure, relative expense ratio
- over 22 fiduciary criteria: including style consistency, composition, percentage of US stocks, turnover ratio, standard deviation, assets under management
- and a proprietary risk/return analysis looking at peers that the plan could be using rather than all Morningstar peers.
- Cafaro Greenleaf also uses a customized investment search capability which allows us to evaluate any combination of criteria that a manager reports, whether as a mutual fund or a separate account manage

8. Describe the performance attribution analysis you use and provide a sample report.

The following would be a sampling of an attribution analysis:

- 3 yr performance verse the benchmark
- 3 yr category ranking
- 5 yr performance verse the benchmark
- 5 yr category ranking
- 5 yr alpha
- 5 yrsharpe ratio

Performance Based =70% of score

- manager tenure
- expense ratio
- IPS rating

Fiduciary Based = 30% of score

Each plan is unique, and out analysis would be dictated by your investment policy statement.

9. Describe your capabilities in the production/interpretation of securities lending.

While we have experience in negotiating securities lending, such practice would not be applicable to the strategy that we would propose to implement.

#### M Subcontracting

1. If your firm uses the services of a subcontractor, please identify the subcontractor and describe the skills and qualifications of the subcontractor and its individual employees.

Cafaro Greenleaf will not use the services of a subcontractor for your account.

2. Describe the contractual arrangement contemplated with each subcontractor and describe generally the control/delegation of responsibilities anticipated in that arrangement.

Not Applicable

#### N Insurance and Liability

1. Please describe the levels of coverage for errors and omissions insurance and any fiduciary or professional liability insurance your firm carries. Is the coverage on a per client basis, or is the dollar figure applied to the firm as a whole? List the insurance carriers and provide evidence of professional liability insurance.

Cafaro Greenleaf maintains all of the insurances listed above, and is covered on a per event basis.

Please see attached certificates and evidences of coverage for professional liability insurance.

Errors & Omissions Coverage      \$10 million

General Liability  
Workers Compensation

\$ 4 million

## 0 Fee Schedule

1. Provide, in detail, the fees your firm would charge for investment consulting services. Fees must be proposed as “all in.” The Fund has extensive investments across all three major areas of alternatives. Please propose a tiered fee schedule as follows:
  - Traditional Asset Consulting (excluding alternative assets),
    - i. Under this structure, how much would your firm charge for a “one off” alternative asset manager search? How much for a “one-off” prudent letter report on an assigned alternatives manager?
  - Traditional plus direct hedge funds,
  - Traditional plus real estate,
  - Traditional plus private equity,
  - Traditional and all alternative assets.

SAFP currently retains Townsend for real estate and Albourne for hedge funds. It is not contemplated that we will change but we want to understand if your organization has the capabilities and how much it would cost.

Please see attached proposal.

2. Identify the period of time the proposed fees will remain in effect.

We would propose a three year period for our fee to remain in effect.

3. Does your firm’s proposed fee arrangement consist of any incentive or contingent payments? If so, please describe the manner of calculation in detail.

There are no incentive or contingent payments contemplated in our proposal. However, we are open to discussion on these items if desired.

## P APPENDICES

1. Appendix A - FORM ADV Parts I and II: Please attach a copy of the current Form ADV Parts I and II of your firm and all other registered investment advisers (whether SEC or state registered) that are affiliated or related to your firm. - ATTACHED
2. If you are hired, will you acknowledge in writing that you have a fiduciary obligation as an investment adviser to the plan while providing the consulting services we are seeking? - YES

Cafaro Greenleaf will be a *named, in-writing* fiduciary to the Plan, as we are on all of the Plans we work with.



## Additional Information

A sampling of our representative clients is below:



## Testimonials – What do Cafaro Greenleaf’s clients have to say about our service and advice?

### **Defined Contribution 401k Plan / Approx. Total Plan Assets of \$40 Million**

*I have been especially pleased with the advice and counsel provided by Cafaro Greenleaf. Our investment committee meets at least once a year, and the independent assessment of fund performance is enlightening and certainly the unbiased input could not be provided by our plan administrator. We receive excellent suggestions and input on plan design changes as well as current regulatory changes which impact our plan. We are also able to have any internal communications reviewed by an industry expert to make certain that our communications are accurate and provide the latest information to our employees. I have personally found the independent assessment of our plan to be invaluable. Cafaro Greenleaf has become a trusted resource to guide us through the maze of regulations impacting 401(k) plans.*

-John E. Warren, III, VP  
Worldwide Human Resources &  
Corporate Services



**Defined Benefit and 401k Plans / Total Plan Assets of \$1.57 Billion**

*I have to give you credit for helping me figure out what I wanted to do. I learned so much working with you and was always impressed by your depth of knowledge. I truly admire your leadership style and your demeanor. Thank you for what you have provided me. Best wishes to you. - Aida*



**Pension Plan and 401k Plans / Approx. Total Plan Assets of \$215 Million**

*It was terrific working with you through this process. Your expertise and insight was invaluable!*  
- Laurie

*As I told the Pension and Benefit committee, you are the best consultant I have ever worked with! You truly added value to the process, a lot of value. If you ever expand into other areas (say bank accounts), let me know, I would love to work with you again. - Brenda*



**Defined Contribution Plans / Total Plan Assets of \$205 Million**

*I truly value your advice and will stay put and wait it out. Thanks again. -Donna Hanson, VP of Finance*



**Defined Contribution Plan / Total Plan Assets of \$15 Million**

*You were instrumental in helping me, someone who is new to 401k, get up to speed on what I need to do as Plan Administrator to maintain compliance with the plan and that you held my hand through the entire process. You are very helpful educating both current employees and employees that we bring on board through acquisition.*  
-Marq Brown, SPHR, Manager, Human Resources



**Defined Contribution Plan / Total Plan Assets of \$12 Million**

*We appreciate your company's follow up. This is the kind of service we have been missing on our plan, and I am glad that Kevin made the decision to work with your company. -Matthew J. Rinaldi, President, CEO*



*I have worked with Cafaro Greenleaf Retirement Plan Advisors for several years. What sets them apart is a consistently unbiased commitment to putting the needs of their clients first. Both Dorann and Jamie have always demonstrated the integrity, expertise and commitment to helping their clients succeed that keeps them at the forefront of the industry. Cafaro Greenleaf epitomizes the type of retirement advisory firm by which all others will be measured. All of us at MassMutual consider it a privilege to help them deliver outstanding value and service to their clients.*

**-Jonathan Shuman, Managing Director  
Retirement Services**



*Diversified Investment Advisors partnership with Cafaro Greenleaf over the years has greatly enhanced our ability to provide plan sponsors and their participants discerning expertise, innovative solutions, and exceptional service. Diligent, knowledgeable, and responsible is how I view the Cafaro Greenleaf team of retirement plan professionals.*

**-Joe Masterson, Senior Vice President  
Chief Sales & Marketing Officer**



*The Cafaro Greenleaf group has provided vital feedback and insight that has helped to shape our business models, as well as the retirement industry landscape. Their commitment, expertise, and dedication to better outcomes for their clients align with our values and has given them a strong and positive reputation in the retirement marketplace.*

**-Jamie Kalamarides, Senior Vice President  
Institutional Full Service Retirement**



*In a marketplace filled with salesmen, the professionals at Cafaro-Greenleaf break that mold. Over the years, I have found them to be very client driven and truly an advocate for their clients. By focusing on the retirement plan market, they bring a level of knowledge and experience which few others can match.*

**-John Pallotta III  
Director of Sales, Retirement**

Cafaro Greenleaf is honored to have received considerable industry recognition including:



Awarded National Retirement *Advisor of the Year* by PLANSponsor® magazine,  
the industry's leading national journal



Named one of the country's *TOP 100 Retirement Plan Advisor's* for 2010 by planadviser®



Named time and again among the industry's *most influential people* by 401k Wire® online.



*Affiliate and co-founder* of National Retirement Partners® (NRP),  
a leading national network of independent *retirement experts*



**Founding Member** of the Institutional Retirement Income Research Council (IRIRC), whose overall mission is to support and facilitate the culture shift of retirement plans



**Asked to Testify** in front of the US Department of Labor's Advisory Council on retirement-related issues



Winner of NJBIZ™ Magazine's Forty Under 40 Award, honoring the 40 **most dynamic and professionally committed business leaders** under the age of 40 throughout NJ.

**Cafaro Greenleaf** has been a Guest columnist with numerous articles in industry publications, and are frequent and sought after speakers at industry conferences including:





We are thrilled at the prospect of working with the City of San Antonio.

Thank you again for the opportunity.

Respectfully Submitted,

Wayne K. Greenleaf Jr.

Managing Partner / Principal

Cafaro Greenleaf

## PROPOSAL

### Fire and Police Pension Fund, San Antonio

#### Scope of Services – Investment Consulting and Fiduciary Services

Cafaro Greenleaf will act as Investment Consultant and ongoing Registered Investment Advisor (RIA) to the Pension Plan(s), and act as *named* co-fiduciary to the Plan(s).

#### Our general services will include:

- ✓ Preparation/Review of Investment Policy Statement (“IPS”) and Strategic Planning
- ✓ Performance Evaluations and Monitoring of the Investment Managers
- ✓ Quarterly Unbiased Performance Reporting and Investment Recommendations
- ✓ In-Person Participation for a minimum of (8) board meetings annually
- ✓ Fiduciary Benchmarks Inc.™ Fee Transparency and Benchmarking Report Annually
- ✓ Fee Negotiations with Providers and Vendors
- ✓ Fully Document and Administrate our *Fiduciary Process*
- ✓ Fiduciary Education Services to Plan Committee / Trustees
- ✓ Toll-free Hotline for Members to Obtain Advice and Plan Information, by CG Registered Advisors
- ✓ Plan and Investment Manager Search Design, Support, and Implementation
- ✓ Act as *named* ERISA Fiduciary on the Plan, maximizing protection to Plan and Trustees

(Comprehensive Outline of Detailed Services Attached)

#### Flat Annual Fee for All Traditional Assets Consulting & Fiduciary Services **\$80,000**

(There are *no additional*, “one-off” searches, prudent letters, travel, etc. charges)

Traditional plus direct hedge funds	\$90,000
Traditional plus real estate	\$90,000
Traditional plus private equity	\$90,000

#### Flat Annual Fee for All Traditional and All Alternative Assets Consulting & Fiduciary Services **\$95,000**



Cafaro Greenleaf provides the depth of knowledge, the breadth of experience and the access to information that Plan Sponsors need to fulfill their fiduciary obligations and develop and maintain a successful Pension Plan with proven results.

**Cafaro Greenleaf offers Plan Sponsors and Trustees the resources and skills to better meet their fiduciary responsibilities.**

- ✓ **Investment Selection & Performance Monitoring**
  - Preparation/Review of Investment Policy Statement
  - Evaluation and on-going monitoring of investment managers in accordance with IPS
  - 404(c) conformance for additional protection of fiduciaries
  - Produce and Deliver Custom, Unbiased Quarterly Investment Reports – through our proprietary system
    - Attendance at quarterly trustee meetings (if so desired)
    - Provide supporting documentation for minutes – establish and maintain a *process*
    - Investment recommendations consistent with IPS policies and investment menu design
  - Unbiased research
    - Mobius database
    - PSN database
    - S&P database
    - M-Search Investment Manager database
    - Morningstar database
    - fi360 database
    - proprietary analytics with using the Zephyr database
  - Investment search capabilities
    - Mutual funds
    - Separate account managers
    - Collective Trust funds
    - Stable Value Analysis
- ✓ **Provide Plan Sponsor and Trustees with third party, unbiased, and objective advice**
- ✓ **We act as a *named* Co-fiduciary to the Plans**
  - ERISA 3(21) Functional Fiduciary
  - Fiduciary Liability and Fiduciary E&O Insurance
- ✓ **Monitoring of Providers/Vendors**
  - Fees (managing Plan(s) cost)
  - Stability in the industry
- ✓ **Compliance Monitoring**
  - Vendor – Stability in the industry
  - Industry - Trends and changes in rules and regulations that may affect your Plan(s)





- ✓ **Plan Audit Support**
- ✓ **Robust Member and Participant Support**
  - Customized for your population
    - Toll free hotline for participant advisory services
    - Web Cast education
- ✓ **Plan design review, impact of design analysis & recommendations**
  - Support in Developing Programs to Maximize Pre-tax Saving for HCEs
- ✓ **RFP Search services**
  - Design an RFP process
  - Draft RFP documents
  - Identify providers
  - Issue RFP
  - Guide the full process to a successful decision and implementation
- ✓ **Monitoring the Health of the Plan**
  - Participation Levels
  - Deferral Rates
  - Group Enrollment
  - Diversification of portfolios
- ✓ **Cost analysis, fee transparency & benchmarking**
  - Blind RFP Benchmark
  - Full Annual fee transparency
  - Full RFP with fee negotiation and implementation
- ✓ **Proven Long-Term Results**
  - We have been providing superior services to Plan Sponsors for over three decades, with numerous awards and recognitions from the industry and independent groups.

#### Qualifications:

All review work, advising, and investment and manager monitoring on The Plan(s) will be performed by a registered financial advisor, and a Senior Consultant of Cafaro Greenleaf.

Respectfully Submitted,

*Wayne K. Greenleaf, AIF™*

Wayne K. Greenleaf, AIF™

Managing Partner / Principal

**Date: September 29, 2011**



**Leading the Way**  
IN FIDUCIARY ADVICE



**Jamie D. Greenleaf, AIF®**  
General Partner / Principal

A recognized expert in the retirement plan space, Jamie has been with Cafaro Greenleaf for 18 years and a principal and partner since 1995. She holds a B.A. in Business Administration from Delaware Valley College, is a Registered Financial Advisor with Series 7, 24, 63, and 65, is Life Insurance licensed, and has earned the Accredited Investment Fiduciary® (AIF®) professional designation awarded by the Center for Fiduciary Studies. Jamie has been a recognized Vice President, Retirement Plan Advisor with UBS Financial and a Vice President, Retirement Advisor with Prudential Securities, consistently ranking among the top advisors and producers at both firms. Jamie was named one of the *TOP 300 Most Influential Advisors in Defined Contribution* by *401k Wire™* and has presented at the national *Mid-Size Pension Management Conference*. She recently was named one of *planadvisor™* magazine's *Top 100 Retirement Plan Advisors* in the nation. She has provided consulting services in all areas of plan management and oversight, including plan design, fees and services benchmarking, investment management selection and monitoring, fiduciary and regulatory compliance, investment policy design, and financial education to many public entities and Fortune 500 and other publicly traded companies. These clients include such well-known names as McGraw Hill, Avis Budget, Guardian Insurance, The Body Shop, Meridian Health, and the NJ Turnpike Authority, to name a few.

Jamie is known for her extensive knowledge and passion for the Pension Industry, and her keen ability to guide, support and educate Plan Trustees, Plan Sponsors, and Plan Participants and members alike.



**Dorann Cafaro, AIF®, PRP®**  
Founder, Senior Consultant

Dorann is the firm's founder, with roots going back as far as 1981. She also is among the founders for National Retirement Partners, a leading national network of independent retirement experts. Dorann has been widely nationally recognized throughout the retirement industry. She was named Retirement Advisor of the Year by PLANSPONSOR magazine, was named by 401k Wire as one of the 50 most influential people in the 401k retirement industry, is a frequent and keynote speaker on the retirement industry at national

conferences and seminars, has provided retirement education and consulting services for Fortune 500 companies, and has testified in front of the USDOL. Dorann was inducted into the national *Hall of Fame* for Retirement Advisors in 2011.

Dorann has been a Regional Director of Retirement Services for Prudential Investments, a Corporate V.P. and National Director of Retirement Planning for PaineWebber, and a Senior Vice President of Marketing for a leading money management firm. She holds a B.S. from Marquette University in mathematics, and is Series 7, 8, 63, 65 and Health and Life licensed. With 30 plus years in the financial industry, Dorann is recognized for her unique and unbiased consulting advice, and genuine care for the financial well-being of the retirement plan, sponsor, and above all, members and participants.



**Stephen Dopp**

Consultant/Investment Analyst

Stephen Dopp is recognized throughout the retirement industry for his knowledge in the Defined Contribution and Defined Benefit marketplace.

Stephen joined Cafaro Greenleaf in 2011 as an Advisor and Senior Investment Analyst. Prior to joining Cafaro Greenleaf Stephen spent 6 years building and managing a successful financial planning practice where his practice focused on designing portfolios for institutional clients. Given his affinity towards the qualified plan industry, he moved on to Newport Capital Group where he served as Vice President for a division that oversaw more than \$1 billion dollars in retirement assets. Stephen is passionate about education on both sponsor and participant levels and has delivered educational presentations and investment reviews nationwide.

Stephen is FINRA registered series 7, 63 and 65 and maintains his Life and Health Authorities. He is also a candidate for his Accredited Investment Fiduciary, AIF®, Chartered Financial Consultant (ChFC) and Chartered Life Underwriter (CLU) designations.



**Wayne K. Greenleaf Jr., AIF®**

Managing Partner / Principal

Wayne joined the firm as an equity partner in 2007, with the primary focus of infrastructure and business development, strategic partnering, and overall company growth. He has since earned the Accredited Investment Fiduciary® (AIF®) professional designation, awarded by the Center for Fiduciary Studies. An entrepreneur by nature, Wayne has an extensive and storied business career and has received both local and national recognition for his accomplishments. His first business, which he founded and served as President for 17 years, was named by Inc. magazine as one of the fastest growing private companies in the country in its annual listing of the Inc. 500. He has been the focus of many local and regional newspaper articles on his various business endeavors and successes. Wayne's career achievements were further acknowledged by his appointment to the New Jersey Workforce Investment Board, a group of state business leaders influencing policy and methods of employment development throughout the state. In 2009, Wayne was named one of NJBIZ™ Magazine's *Forty Under 40* Award winners, honoring the forty most dynamic and professionally committed business leaders under the age of 40 throughout the state.

2. State whether the individuals assigned to the work have any responsibilities other than providing consulting services, and if so, specify such responsibilities.

The key individuals assigned to this Plan, do not have any responsibilities within the firm other than providing superior consulting services to our clients and their Plans.

3. What are the procedures for addressing this account when the lead consultant or other assigned personnel are unavailable?

It is a very rare circumstance when you will not have direct and on-demand access to your lead consultant. Upon this unlikely occurrence, you will be directed to the Senior Consultant or the Investment Analyst for the brief time that she may be unavailable.

4. Describe your firm's backup procedures in the event that key personnel in this assignment should leave the firm.

Because of our "team" approach and centralized database, Cafaro Greenleaf would be able to adequately transition should a member of our key personnel leave the firm.

## G Research

1. Describe your firm's philosophy and resources, including history of experience in the following areas:

Performance Evaluation and Reporting;

Cafaro Greenleaf has built a proprietary evaluation and reporting system that is customizable to meet our individual client's needs. We invest significant resources into our system, and we feel that it is the most reliably innovative and effective in the industry.

2. Provide a list of 3 current public fund general or full-service consulting clients with assets greater than \$500 million for whom work similar to that requested in this RFP has been performed by your firm. Include name, contact person, telephone number, asset value, number of years they have been a client of the firm, and the services provided. The Fund may contact any of these clients as references. If you require advance notice of the Fund's intent to make inquiries, please so indicate.



**DB Schenker**

(Formerly) BAX Global, Irvine, CA

Ms. Laura Beckmeyer

Benefits / Insurance Manager

Ph: 914-366-7261

[lbeckmeyer@stinnesus.com](mailto:lbeckmeyer@stinnesus.com)

Current / Ongoing Client for 12 years / Complete RIA and Fiduciary Services

Plan Assets: \$205 MM

***The McGraw-Hill Companies***

**McGraw Hill Companies**

Ms. Marty Martin

Director, Human Resources

Ph. 212-512-3473

[Marty\\_martin@mcgraw-hill.com](mailto:Marty_martin@mcgraw-hill.com)

Performed Various Advisory Services over the Past 5 years

Plan Assets: \$2.8 Billion



**Brenntag North America**

Mr. Mark Andriate

Director, Human Resources

Ph: 610-916-3874

[mandriate@brenntag.com](mailto:mandriate@brenntag.com)

Current / Ongoing Client for 12 years / Complete RIA and Fiduciary Services

Plan Assets: \$285 MM

3. State the number of accounts, and value of assets represented in those accounts, lost during the last three years. List this for each one year period ending 2008, 2009, and 2010. Assets?

Cafaro Greenleaf enjoys a very high rate of client satisfaction and retention. We have lost a total of five accounts over the past 3 years, which equates to a 97% annual retention rate. Of the five plans lost; three were companies that were acquired, and the remaining two were the result of a new Plan trustee that had an prior advisor relationships of a new and incoming Plan trustee.

2010 : (2) : \$290mm

2009 : (2) : \$5mm

2008 : (1) : \$10mm

C Standards of Conduct
------------------------

1. Has your firm adopted the Code of Ethics and The Standards of Professional Conduct of the CFA Institute? If so, how is employee compliance monitored?

Cafaro Greenleaf acts as a fiduciary for of all our clients, and we must adopt a commitment to acting in the best interests of our participants. This is the code of conduct the CFA Institute adopts as their cornerstone. Cafaro Greenleaf documents all decisions meeting all 10 fundamental ethical principles by:

- making them in the best interest of the participants, including providing annual Benchmark reports;
- assuring that the decision was made to, and continues to, meet reasonable care - including the detailed quarterly reports;

## PROPOSAL

### Fire and Police Pension Fund, San Antonio

#### Scope of Services – Investment Consulting and Fiduciary Services

Cafaro Greenleaf will act as Investment Consultant and ongoing Registered Investment Advisor (RIA) to the Pension Plan(s), and act as *named* co-fiduciary to the Plan(s).

#### Our general services will include:

- ✓ Preparation/Review of Investment Policy Statement (“IPS”) and Strategic Planning
- ✓ Performance Evaluations and Monitoring of the Investment Managers
- ✓ Quarterly Unbiased Performance Reporting and Investment Recommendations
- ✓ In-Person Participation for a minimum of (8) board meetings annually
- ✓ Fiduciary Benchmarks Inc.™ Fee Transparency and Benchmarking Report Annually
- ✓ Fee Negotiations with Providers and Vendors
- ✓ Fully Document and Administrate our *Fiduciary Process*
- ✓ Fiduciary Education Services to Plan Committee / Trustees
- ✓ Toll-free Hotline for Members to Obtain Advice and Plan Information, by CG Registered Advisors
- ✓ Plan and Investment Manager Search Design, Support, and Implementation
- ✓ Act as *named* ERISA Fiduciary on the Plan, maximizing protection to Plan and Trustees

(Comprehensive Outline of Detailed Services Attached)

#### Flat Annual Fee for All Traditional Assets Consulting & Fiduciary Services **\$80,000**

(There are *no additional*, “one-off” searches, prudent letters, travel, etc. charges)

Traditional plus direct hedge funds	\$90,000
Traditional plus real estate	\$90,000
Traditional plus private equity	\$90,000

#### Flat Annual Fee for All Traditional and All Alternative Assets Consulting & Fiduciary Services **\$95,000**



Cafaro Greenleaf provides the depth of knowledge, the breadth of experience and the access to information that Plan Sponsors need to fulfill their fiduciary obligations and develop and maintain a successful Pension Plan with proven results.

**Cafaro Greenleaf offers Plan Sponsors and Trustees the resources and skills to better meet their fiduciary responsibilities.**

- ✓ **Investment Selection & Performance Monitoring**
  - Preparation/Review of Investment Policy Statement
  - Evaluation and on-going monitoring of investment managers in accordance with IPS
  - 404(c) conformance for additional protection of fiduciaries
  - Produce and Deliver Custom, Unbiased Quarterly Investment Reports – through our proprietary system
    - Attendance at quarterly trustee meetings (if so desired)
    - Provide supporting documentation for minutes – establish and maintain a *process*
    - Investment recommendations consistent with IPS policies and investment menu design
  - Unbiased research
    - Mobius database
    - PSN database
    - S&P database
    - M-Search Investment Manager database
    - Morningstar database
    - fi360 database
    - proprietary analytics with using the Zephyr database
  - Investment search capabilities
    - Mutual funds
    - Separate account managers
    - Collective Trust funds
    - Stable Value Analysis
- ✓ **Provide Plan Sponsor and Trustees with third party, unbiased, and objective advice**
- ✓ **We act as a *named* Co-fiduciary to the Plans**
  - ERISA 3(21) Functional Fiduciary
  - Fiduciary Liability and Fiduciary E&O Insurance
- ✓ **Monitoring of Providers/Vendors**
  - Fees (managing Plan(s) cost)
  - Stability in the industry
- ✓ **Compliance Monitoring**
  - Vendor – Stability in the industry
  - Industry - Trends and changes in rules and regulations that may affect your Plan(s)





- ✓ **Plan Audit Support**
- ✓ **Robust Member and Participant Support**
  - Customized for your population
    - Toll free hotline for participant advisory services
    - Web Cast education
- ✓ **Plan design review, impact of design analysis & recommendations**
  - Support in Developing Programs to Maximize Pre-tax Saving for HCEs
- ✓ **RFP Search services**
  - Design an RFP process
  - Draft RFP documents
  - Identify providers
  - Issue RFP
  - Guide the full process to a successful decision and implementation
- ✓ **Monitoring the Health of the Plan**
  - Participation Levels
  - Deferral Rates
  - Group Enrollment
  - Diversification of portfolios
- ✓ **Cost analysis, fee transparency & benchmarking**
  - Blind RFP Benchmark
  - Full Annual fee transparency
  - Full RFP with fee negotiation and implementation
- ✓ **Proven Long-Term Results**
  - We have been providing superior services to Plan Sponsors for over three decades, with numerous awards and recognitions from the industry and independent groups.

#### Qualifications:

All review work, advising, and investment and manager monitoring on The Plan(s) will be performed by a registered financial advisor, and a Senior Consultant of Cafaro Greenleaf.

Respectfully Submitted,

*Wayne K. Greenleaf, AIF™*

Wayne K. Greenleaf, AIF™

Managing Partner / Principal

**Date: September 29, 2011**



**Leading the Way**  
IN FIDUCIARY ADVICE