

**Putting clients first.**



Jane Le Clainche, CPA  
Director of Finance  
Town of Palm Beach  
Finance Department  
360 S. County Road  
Palm Beach, FL 33480

March 27, 2019

Dear Mrs. Le Clainche:

We are pleased to enclose AndCo's proposal for investment consulting services for an exclusive engagement for the Retirement System Defined Contribution Plans (401a, 457). We believe we have had a very productive partnership in working to constructively address the challenges, and to advance the financial standing of the greater Town of Palm Beach Retirement System Programs.

This proposal addresses the fundamental change to engagement terms resulting from the separation of the reporting structure of the Retirement Systems, changes to the commensurate service focus unique to Defined Contribution Programs, and is coincident with the expiration of the fee guarantee as provided in the current AndCo Consulting engagement agreement.

The terms of this agreement would allow the Town of Palm Beach to transfer certain Fiduciary oversight responsibilities including:

1. Develop investment policy statement and provide periodic review and maintenance as appropriate.
2. Calculate individual investment manager performance quarterly and provide written and verbal summary reports.
3. Monitor and report on investment manager compliance to investment policy statement on a quarterly basis.
4. Recommend and perform replacement manager/fund evaluations as necessary and appropriate.
5. Provide overall economic context for discussion and evaluation of quarterly results.
6. Conduct regular industry fee benchmarking surveys to ensure competitive cost for value.
7. Coordinate a review of recordkeeping, administration, and participant education services, as needed, and as outlined by industry best practices to ensure competitive cost for value.
8. Provide ongoing fiduciary education on relevant topics to assist the Client in fulfilling fiduciary duty.

9. Review employee education strategy with Client for fit with participant demographics and Plan goals.

In consideration of our existing relationship, our discounted proposed annual, fixed dollar fee is \$25,000 (approximately 5.3 b.p. as a percentage of total assets as of 12/31). This fee is for a full-service relationship and includes all services offered to our defined contribution clients. AndCo considers it a best practice for Plan Sponsors to pay for investment consulting services directly, however, in many cases Plan Sponsors are permitted to defer to these fees to plan participants as a necessary fiduciary related expense.

I would like to reaffirm several distinguishing features that set our firm apart from the competition.

- *Fiduciary:* We accept full fiduciary responsibility for each of our clients, without equivocation or exception.
- *Institutional Client Experience:* We consult over 680 institutional clients with \$85 billion in assets under advisement. We have more contact with institutional Boards each quarter than most of our competitors have in a full year.
- *Public Fund Experience:* We work with over 430 public plans. We are one of the largest public funds consulting firms in the country. Along with our national presence we represent 85 public defined contribution plans.
- *Team:* An experienced and credentialed team supports each consultant. Our firm's commitment to pooling our collective resources helps us provide a high-quality client experience. Our seasoned team of 90 professionals includes 22 CFA® Charterholders and 29 advanced degree holders.
- *Value Creation:* The consultants who will continue to work on this relationship (Dave West, CFA and Paul Murray, CPFA) have helped to consistently deliver value to the Town of Palm Beach.

Trust, integrity, confidence, and respect are the cornerstones of any successful business relationship. We always have and always will ensure that our clients come first. We would be honored to continue to consult to the Town of Palm Beach.

Disclosure: All assets under advisement ("AUA") indicated throughout this report are current as of 9/30/2018. All other information and figures are valid as of the date of distribution, unless otherwise indicated.