



Investment Committee

Agenda Item 8a

August 19, 2019

Item Name: Board Investment Consultants – Selection of Finalists to Interview, and Interview and Selection Process

Program: Investment Office

Item Type: Action

Recommendation

Approve the suggested interview process for selecting the Board Investment Consultants and determine the finalist firms to be interviewed by the subcommittee. The following firms are eligible to appear for oral interviews. In alphabetical order:

- General Pension Consultant – Meketa Investment Group and Wilshire Associates, Inc.
- Private Equity Consultant – Meketa Investment Group and Verus Advisory, Inc.
- Real Estate Consultant - Meketa Investment Group and RCLCO Fund Advisors, LLC
- Infrastructure Consultant - Meketa Investment Group

Executive Summary

The purpose of this agenda item is to present the firms which have passed the technical proposal evaluation and for the Committee to select the finalist firms that will continue forward to the interview process. In addition, the Committee Chair is seeking approval to form a subcommittee to interview the finalist firms. The subcommittee will recommend to the full Committee/Board its proposed selection for contract awards at the earliest subsequent open session meeting.

Strategic Plan

This agenda item supports the Fund Sustainability Strategic Plan Goal – Strengthen the long-term pension and health benefit sustainability. The Consultants will provide the Committee with advice and recommendations on the designated investment portfolio(s), which play an integral role in the success and sustainability of the Total Fund.

Investment Beliefs

This item supports CalPERS' Investment Belief 4 that long-term value creation requires strong governance and effective management of three forms of capital: financial, physical and human.

Background

The role of the Consultants is to act as independent fiduciary advisors to the Committee and provide opinions on matters relevant to the prudent and optimal management of the designated investment portfolio services. Additionally, the Consultant(s) must align their services with CalPERS' Investment Beliefs, which are a guide for making decisions, and provide context for CalPERS' actions, reflect CalPERS' values, and acknowledge CalPERS' responsibility to sustain its ability to pay benefits for generations.

The current General Pension Board Investment Consultant contract with Wilshire Associates, Inc. began on July 1, 2015, and terminates on June 30, 2020. The current Private Equity Board Investment Consultant contract with Meketa began on July 1, 2015 and terminates on June 30, 2020, along with the Letter of Engagement for Infrastructure Board Investment Consulting services. The current Real Estate Board Investment Consultant contract with Meketa (formerly Pension Consulting Alliance, Inc.) began April 1, 2017 and terminates on March 31, 2022 (early termination will occur based on the outcome of RFP 2018-8566).

Analysis

On March 8, 2019, CalPERS released RFP No. 2018-8566 to solicit up to four (4) Board Investment Consultants (General Pension, Private Equity, Real Estate and Infrastructure). A single firm may be awarded up to three (3) Private Asset Class Consultant services. The firm awarded the General Pension Board Consultant contract is prohibited from providing services in combination with Private Asset Consultant services. As of the RFP final filing date, May 22, 2019, CalPERS received eight proposals, all of which passed the preliminary Minimum Qualifications review.

The Committee Chair proposes to create a four-member subcommittee of Committee members to interview the finalist firms for each investment consultant category and make contract award recommendations to the full Committee. The interviews will be conducted in a noticed open session meeting that will be scheduled as soon as possible to accommodate subcommittee members availability. The subcommittee would then make its recommendation to the full Committee in open session at the earliest subsequent regularly scheduled Committee meeting.

As specified in the RFP, the technical proposals of the four firms across the four service categories were scored on a pass or fail basis, based upon responses to the following categories: Organization and Structure, Conflicts and Disclosures, and Experience and Depth.

The table below details the current scores for the firms whose Technical Proposal was determined to have passed. Additionally, Staff has prepared a profile (see attachments) of each of the firms listed in the tables below.

General Pension Board Investment Consultant						
Proposer	Total Proposed Fees for 3 Years	Fee Proposal Score (out of 300)	DVBE Points ¹	Current Subtotal	Interview Points (700)	Final Score
Meketa Investment Group ¹	\$11,700,000	242	50	292	TBD	TBD
Wilshire Associates Inc. ¹	\$9,450,000	300	50	350	TBD	TBD

Private Equity Board Investment Consultant						
Proposer	Total Proposed Fees for 3 Years	Fee Proposal Score (out of 300)	DVBE Points ¹	Current Subtotal	Interview Points (700)	Final Score
Meketa Investment Group ¹	\$2,085,000	220	50	270	TBD	TBD
Verus Advisory, Inc.	\$1,530,200	300	0	300	TBD	TBD

Real Estate Board Investment Consultant						
Proposer	Total Proposed Fees for 3 Years	Fee Proposal Score (out of 300)	DVBE Points ¹	Current Subtotal	Interview Points (700)	Final Score
Meketa Investment Group ¹	\$3,600,000	293	50	343	TBD	TBD
RCLCO Fund Advisors, LLC	\$3,510,000	300	0	300	TBD	TBD

Infrastructure Board Investment Consultant						
Proposer	Total Proposed Fees for 3 Years	Fee Proposal Score (out of 300)	DVBE Points ¹	Current Subtotal	Interview Points (700)	Final Score
Meketa Investment Group ¹	\$ 525,000	300	50	350	TBD	TBD

¹ Firm committed to subcontracting > 5.0% Disabled Veteran Business Enterprises.

Budget and Fiscal Impacts

The anticipated term of the contracts will be three-years. As required by the CalPERS Board of Administration Contract Activity Reporting Policy, this RFP was reported to the Finance and Administration Committee in December 2018. The cost of these contracts will be funded from existing budgeted resources.

Benefits and Risks

The selection of the Board Investment Consultants supports the Committee in meeting its objectives to prudently manage the System and provide members and beneficiaries with benefits, as required by law.

The current Consultant contracts are scheduled to expire June 31, 2020 and March 31, 2022. To ensure continuity of services and optimize coordination of services, the Committee will need to select the Finalists for interviews and approve the formation of the interview subcommittee. The selection of the Finalists for the subcommittee interview phase will allow the Committee and staff sufficient time to complete this project and minimize any interruptions to the provision of critical investment consultant services.

Attachments

Attachment 1 – Summary Profile: Meketa Investment Group – General Pension Board Consulting

Attachment 2 – Summary Profile: Wilshire Associates, Inc. – General Pension Board Consulting

Attachment 3 – Summary Profile: Meketa Investment Group – Private Equity Board Consulting, Real Estate Board Consulting, Infrastructure Board Consulting

Attachment 4 – Summary Profile: Verus Advisory, Inc. – Private Equity Board Consulting

Attachment 5 – Summary Profile: RCLCO Fund Advisors, LLC – Real Estate Board Consulting

Dan Bienvenue

Interim Chief Operating Investment Officer

Yu (Ben) Meng

Chief Investment Officer

Meketa Investment Group – General Pension Consulting Services

Organization and Structure

Meketa Investment Group (“Meketa”) is a pension consulting firm founded in 1978, providing pension consulting services to tax exempt organizations for more than forty years. The firm is a corporation privately owned by senior professionals who are all active in the firm.

Meketa has two subsidiaries: Meketa Investments London Ltd., which provides research support services to Meketa Investment Group’s business, and Meketa Fiduciary Management, LLC, an entity through which the firm provides additional discretionary investment advisory services. Meketa has seven offices. In the last 5 years, Meketa has actively restructured their ownership to ensure that no single employee dominates the ownership structure.

On March 15, 2019, Meketa announced the completion of the merger of Meketa Investment Group and Pension Consulting Alliance (PCA). In addition to the merger with PCA, Meketa expanded ownership over the past two years to senior employees, bringing the total number of shareholders to 57. Currently, Meketa does not have any planned changes to their organization.

Meketa is registered as an Investment Advisor with the SEC. Meketa does not have relationships with asset managers, affiliations with brokerage firms, or broker-dealer relationships. Meketa does not receive soft dollars or any brokerage commissions. Meketa is an ERISA fiduciary.

Meketa’s line of business and contribution to their organization’s total revenue for the past three years is as follows:

Lines of Business	2016	2017	2018	2019 est.
General Pension Consulting ¹	98%	98%	98%	98%
Other Consulting Services ²	2%	2%	2%	2%
Other	0%	0%	0%	0%

Experience and Depth

Meketa has served as a provider of custom solutions and unique ideas to clients since the inception of the firm over 40 years ago and has operated as an independent fiduciary throughout the firm’s history. Meketa has advised clients in private markets since 2000 with client commitments greater than \$30 billion. Meketa maintains a low client to consultant ration (5 to 1). The Managing Principals average 20 years at the firm; Principals average 13 years at the firm; and Consultants average 10 years at the firm. Meketa’s annual client retention rate has been 98% over the last 10 years. Meketa currently consults on \$1 trillion for 75 public fund clients.

Meketa has been providing Defined Contribution services since 1990 and currently advises on more than \$45 billion in assets for 70 Defined Contribution retirement plans ranging in size from less than \$1 million to \$28 billion. Additionally, Meketa advises on approximately \$70 billion in assets for 9 Defined Contribution 529 and ABLE plans. Meketa performs plan selection and monitoring, and makes recommendations as to retention and, if necessary, replacement of investment managers and service providers for defined contribution clients.

¹ Includes investment consulting for all client types (i.e. pension, endowment, foundation, OPEBs).

² Includes non-retainer, project work.

Finalist Profile Summary

Conflicts and Disclosures

Meketa does not foresee any conflicts of interest. Meketa did not report any disciplinary action on the SEC ADV disclosure, which was included in the RFP response.

Environment, Social and Governance

Meketa has a dedicated ESG Committee.

Services

Meketa has a strong commitment to original research and development and utilizes dedicated private market teams to analyze and consult on individual strategies. They have a Global Macroeconomic/Tactical Asset Allocation Committee that is responsible for all firm research on macroeconomic issues. Meketa currently creates over 200 custom indices for clients, and track over 600 indices. Meketa has provided Private Market consulting to CalPERS' Board for over ten years. Meketa is able to construct peer universes from a variety of sources, including InvestorForce Plan Universes and Trust Universe Comparison Service (TUCS) Public Fund Median, and State Street Peer Universe to provide the most appropriate comparison for clients and affiliate trusts.

Fees

Flat Fees - A summary of Meketa's fee proposal is included in the table below.

	Annual Fee
Year 1	\$ 3,900,000
Year 2	\$ 3,900,000
Year 3	\$ 3,900,000
Total Fees	\$11,700,000
Average Annual Fee	\$ 3,900,000



Wilshire Associates Incorporated – General Pension Consulting Services

Organization and Structure

Wilshire Associates Inc. (“Wilshire”) is a pension consulting firm founded in 1972, providing pension consulting services to tax exempt organizations since 1981. The firm is a privately held Subchapter S corporation that is 100% owned by key employees with no other outside owners.

Wilshire has four separate business units: Wilshire Consulting, Wilshire Analytics, Wilshire Funds Management and Wilshire Private Markets.

Wilshire Private Markets Group’s operations in Amsterdam and Hong Kong are conducted through affiliated companies, Wilshire Associates Europe, BV, and Wilshire Hong Kong Limited. Wilshire’s participation as general partner in various limited partnership investment vehicles is conducted through entities controlled by Wilshire’s affiliate, Wilshire Global Advisors Inc. Wilshire has no parent company. The ownership of Wilshire Global Advisors Inc. is identical to that of Wilshire.

Wilshire has not experienced any material changes in ownership, personnel reorganization, or new business ventures in the last two years. Mark Brubaker, a member of Wilshire Consulting, departed the firm and his position on the Board of Directors of Wilshire Associates in February 2019.

Wilshire is registered as an Investment Advisor with the SEC. Wilshire is an ERISA fiduciary. Wilshire does not have relationships with asset managers. Wilshire receives a portion of its total revenues from the sale of analytics services including business generated from investment management firms. Wilshire Funds Management receives compensation from investment managers or institutions for discretionary and non-discretionary “manger-of-managers” services, as well as outsourcing solutions to financial institutions, commingled funds and mutual fund complexes. The total firm revenues received from the sale of analytics services to asset managers is 8%.

Wilshire’s line of business and contribution to their organization’s total revenue for the past three years is as follows:

Lines of Business	2016	2017	2018	2019 est.
General Pension Consulting	32%	31%	31%	30%
Other Consulting Services ¹	45%	49%	54%	55%
Other (Wilshire Analytics ²)	23%	20%	15%	15%

Experience and Depth

¹ Many of the services listed under “Other Consulting Services” are similar to pension consulting services but offered on a discretionary or non-discretionary basis through Wilshire funds Management and Wilshire Private Markets.

² Wilshire Analytics provides investment technology solutions including risk management, asset allocation, investment accounting, marketing support, trade order management, portfolio optimization, scenario analysis and performance measurement to multi-currency portfolios for multiple asset classes of public securities.

Finalist Profile Summary

Wilshire’s lead consultants have over 16 years of experience at Wilshire and 25+ years of industry experience. Wilshire has provided strategic advice to the Board and Staff of CalPERS for 30 years. For the past 40+ years, Wilshire has made major contributions in defining “best practices” in the investment consulting field. Today, Wilshire provides discretionary and non-discretionary investment advisory services with assets under advisement of approximately \$1.1 trillion as of December 31, 2018. On average, the tenure of Wilshire Consulting clients is twelve (12) years. Currently, Wilshire provides investment advisory and management services to more than 40,000 defined contribution plans representing over \$116 billion in assets. Traditional consulting and OCIO clients include public, corporate, healthcare and foundation 401(k), 401(a), 403(b), and 457(b) plans, with individual plan assets ranging from under \$100 million to over \$10 billion. Wilshire’s ERISA services are utilized by a wide range of plan sponsor types and sizes, from startup plans with minimal assets to mature plans with over \$1 billion.

Conflicts and Disclosures

Wilshire does not foresee any conflicts of interest. Wilshire did not report any disciplinary action on the SEC ADV disclosure, which was included in the RFP response.

Environment, Social and Governance

Wilshire has dedicated in-house ESG resources to provide regular insights into ESG considerations and risks.

Services

Wilshire offers a team of expert professionals committed to empowering clients to achieve the financial strength necessary to fuel secure retirements and advance unique objectives by leveraging their global footprint, culture of risk management, and four decades of experience. Wilshire’s research platform includes dedicated teams focused on investment/capital markets, asset allocation, alternatives, ESG/responsible investing and manager research. Wilshire’s Trust Universe Comparison Service® (TUCS®) is widely considered the definitive benchmark for U.S. institutional plan assets performance and allocation. Wilshire TUCS contains over 2,000 plans from the largest custodian banks. For CalPERS, Wilshire uses a custom universe for public pension funds with assets greater than \$10 billion.

Fees

Flat Fees - A summary of Wilshire’s fee proposal is included in the table below.

	Annual Fee
Year 1	\$ 3,100,000
Year 2	\$ 3,150,000
Year 3	\$ 3,200,000
Total Fees	\$ 9,450,000
Average Annual Fee	\$ 3,150,000



Meketa Investment Group – Private Asset Class Consulting Services

Organization and Structure

Meketa Investment Group (“Meketa”) is a pension consulting firm founded in 1978, providing pension consulting services to tax exempt organizations for more than forty (40) years. The firm is a corporation privately owned by senior professionals who are all active in the firm.

Meketa has two subsidiaries: Meketa Investments London Ltd., which provides research support services to Meketa Investment Group’s business, and Meketa Fiduciary Management, LLC, an entity through which our firm provides additional discretionary investment advisory services.

On March 15, 2019, Meketa announced the completion of the merger of Meketa Investment Group and Pension Consulting Alliance (PCA). In addition to the merger with PCA, Meketa expanded ownership over the past two years to senior employees, bringing the total number of shareholders to 57. Currently, Meketa does not have any planned changes to their organization.

Meketa has six U.S. offices and one office located in the United Kingdom. Meketa is comprised of over 180 staff, including consultants, investment analysts, performance analysts, MIS/IT professionals, marketing professionals, corporate, and administrative personnel. The firm maintains a low client-to-consultant ratio with a built-in back-up function for effective and efficient client service. In the last 5 years, Meketa has actively restructured their ownership to ensure that no single employee dominate the ownership structure.

Meketa has advised clients in private markets since 2000 with client commitments over \$30 billion to various private market funds across the spectrum of asset classes both domestically and internationally, including Private Equity, Natural Resources, Private Debt, Infrastructure, and Real Estate. Meketa has dedicated private market teams to analyze and consult on individual strategies including Private Equity, Infrastructure, Private Debt, Natural Resources, and Real Estate, employing professionals with industry-specific and direct investment experience.

Meketa is registered as an Investment Advisor with the SEC. Meketa is an ERISA fiduciary. Meketa does not have relationships with asset managers, affiliations with brokerage firms, or broker-dealer relationships.

Meketa’s line of business and contribution to their organization’s total revenue for the past three years is as follows:

Lines of Business	2016	2017	2018	2019 est.
General Pension Consulting ¹	98%	98%	98%	98%
Other Consulting Services ²	2%	2%	2%	2%
Other	0%	0%	0%	0%

Experience and Depth

Meketa has served as a provider of custom solutions and unique ideas to clients since the inception of the firm over 40 years ago and has operated as an independent fiduciary throughout

¹ Includes investment consulting for all client types (i.e. pension, endowment, foundation, OPEBs).

² Includes non-retainer, project work.

Finalist Profile Summary

the firm’s history. Meketa has advised clients in private markets since 2000 with client commitments greater than \$30 billion. Meketa has a strong commitment to original research and development and utilizes dedicated private market teams to analyze and consult on individual strategies. Meketa currently creates over 200 custom indices for clients, and track over 600 indices. Meketa has provided Private Market consulting to CalPERS’ Board for over ten years. Meketa maintains a low client to consultant ration (5 to 1). The Managing Principals average 20 years at the firm; Principals average 13 years at the firm; and Consultants average 10 years at the firm. Meketa’s annual client retention rate has been 98% over the last 10 years. Meketa currently consults on \$1 trillion for 75 public fund clients.

Meketa has been providing Defined Contribution services since 1990 and currently advises on more than \$45 billion in assets for 60 Defined Contribution retirement plans ranging in size from less than \$1 million to \$28 billion. Additionally, we advise on approximately \$70 billion in assets for 9 Defined Contribution 529 and ABLE plans. Meketa performs plan investment selection and monitoring, and make recommendations as to retention and, if necessary, replacement of investment managers and service providers for defined contribution clients, including both 401(k), 403(b), and 457 plans.

Conflicts and Disclosures

Meketa does not foresee any conflicts of interest. Meketa did not report any disciplinary action on the SEC ADV disclosure, which was included in the RFP response.

Environment, Social and Governance

Meketa has a dedicated ESG Committee.

Services

Meketa maintains a specialized Private Markets team that includes dedicated investment due diligence professionals, along with operational, legal, and administrative support. While originating with Private Equity, Meketa Investment Group today has separate teams for Private Debt, Infrastructure, Natural Resources/Timber, and Real Estate with each team comprised of full-time investment analysts and members of their Private Markets Investment Committee. These teams seek out and evaluate the highest quality managers in their sector. The teams are cross-fertilized to ensure consistency and adherence to best practices.

Fees

Flat Fees

A summary of Meketa’s fee proposal is included in the table below.

	Private Equity	Real Estate	Infrastructure	Combined Fees (Private Equity, Real Estate, Infrastructure)
Year 1	\$ 695,000	\$1,200,000	\$ 175,000	
Year 2	\$ 695,000	\$1,200,000	\$ 175,000	
Year 3	\$ 695,000	\$1,200,000	\$ 175,000	
Total Annual Fees	\$ 2,085,000	\$3,600,000	\$ 525,000	\$6,210,000
Average Annual Fee	\$ 695,000	\$1,200,000	\$ 175,000	\$2,070,000



Verus Advisory Inc – Private Equity Consulting Services

Organization and Structure

Verus (formerly Wurts and Associates) was founded in 1986 to provide independent investment consulting services to institutional investors such as public pension plans, corporate DB and DC plans, endowments, foundations, Taft-Hartley trusts, and sovereign wealth funds. Verus has been providing pension consulting services to tax exempt organizations for 33 years.

Verus is 100% owned by its active employees. Seventeen employees are current shareholders of the company. CEO Jeffrey MacLean is the majority shareholder. Employee ownership increased from 7 in 2006 to 17 today. Verus is a sub-chapter S corporation incorporated in Washington State, and has no parent, business partners, affiliations or joint ventures.

In June 2017, Verus sold its Strategic Partnership Program (SPP) to Goldman Sachs Asset Management. The SPP was a segment of their discretionary line of business involving two large clients for whom they provided portfolio management services and had no impact on traditional investment consulting services. Verus does not anticipate significant changes in the next twelve months, except for the possibility of modest changes to ownership as they add new employee shareholders or increase the shareholdings of current owners.

The three areas that have received the most attention in the past few years are Capital Markets Research, Manager Research, and Risk Management. Verus anticipates these areas will continue to be the focus for future growth.

Verus is registered as an Investment Advisor with the SEC. Verus is an ERISA Section 3(21) fiduciary. Verus does not have relationships with asset managers and does not sell products to or receive any form of payments from asset managers.

Verus's line of business and contribution to their organization's total revenue for the past three years is as follows:

Lines of Business	2016	2017	2018	2019 est.
General Pension Consulting	44%	68%	65%	61%
Other Consulting Services ¹	19%	27%	25%	24%
Other ²	37%	5%	10%	15%

Experience and Depth

Verus consultants average 21 years of experience. Consulting to public funds for over 30 years, Verus has broad experience as an independent fiduciary in producing written opinions to Boards and Investment Committees. Verus advises on over \$391³ billion in client assets, through non-discretionary consulting and discretionary OCIO services, for a wide range of clients including educational and charitable organizations, corporate, multi-employer and public defined benefit plans, hospitals and insurance providers.

¹ Includes consulting services for non-pension asset pools, such as endowments, foundations, operating assets, health & welfare plans, private wealth trusts, and sovereign wealth funds.

² Includes OCIO and Discretionary Services.

³ Total assets under advisement; preliminary as of 4/1/2019 (verusinvestments.com)

Finalist Profile Summary

Verus' Private Market team regularly attends client board meetings and provides background and in-depth investment analysis to clients, including public plans with greater than \$1 billion in private investments. Verus' Private Market team also views private equity, private credit and real assets investments as a component of a client's overall investment portfolio and integrates asset class-specific risk, yield, capital appreciation and liquidity considerations into advice. Verus regularly identifies funds and strategies that pose performance, concentration, duration and reputational issues for clients and proposes appropriate actions to address the situation.

Verus currently provides general consulting services, including investment due diligence and recommendation of investment options, to 46 clients that sponsor different types of defined contribution plans including both 401(k) and 401(a) as well as 403(b), and 457 plans. Additional DC plans include Profit-Sharing, MPP, 409(a) and SIP. Verus currently advises on approximately \$27.6 billion DC assets with a median DC client size of \$191 million. Among Verus' defined contribution clients are two state-level retirement systems that sponsor a variety of DC plans whose combined total assets are approximately \$5 billion.

Conflicts and Disclosures

Verus is registered with the SEC. Verus is an ERISA Section 3(21) fiduciary. Verus does not foresee any conflicts of interest.

Environment, Social and Governance

Verus employs ESG professionals.

Services

Verus provides boards with innovative direct, primary market, co-investment and secondary market strategies that provide access to new products, increase certainty, minimize costs, and match funding needs. Verus also provides clients portfolio performance reviews, asset class overviews and presentations on topics of interest to properly frame their portfolios against broader market themes.

Verus provides a wide range of consulting services that include Investment Policy Statement design and maintenance (Benchmark selection, fund manager guidelines, and governance structure), Plan design consultation (Investment menu design, Qualified Default Investment Alternative ("QDIA") election), investment fund search and selection (Comprehensive screening and diligence), recordkeeper oversight, fiduciary monitoring (Quarterly investment review reports including quantitative return and risk analysis of options relative to benchmarks and peers, as well as qualitative monitoring), semi-annual or quarterly meetings with plan fiduciaries, Annual QDIA Review, Annual Plan Fee Benchmarking Review and Fiduciary education and regulatory updates.

Fees

Flat Fees - A summary of Verus's fee proposal is included in the table below.

	Annual Fee
Year 1	\$ 500,000
Year 2	\$ 510,000
Year 3	\$ 520,200
Total Fees	\$ 1,530,200
Average Annual Fee	\$ 510,067



RCLCO Fund Advisors, LLC – Real Estate Consulting Services

Organization and Structure

RCLCO Fund Advisors, LLC (“RFA”) is an affiliate of RCLCO. RFA was incorporated in 2013. Prior to 2011, RCLCO organized their Institutional Advisory Services group to address the complex global investment environment facing pension funds and other institutional investors. The parent company, RCLCO (Robert Charles Lesser & Co., LLC) was founded in 1967 and has been providing real estate consulting services to institutional real estate investors for more than 51 years. RCLCO, LLC is a privately-held, employee-owned firm that exclusively provides consulting services. The current ownership of RCLCO, LLC consists of seven employees, including the Managing Director & CEO with 59% ownership. RCLCO Fund Advisors is staffed with more than 65 people across four offices. RFA complements RCLCO’s Institutional Advisory Services Practice Group by serving RCLCO’s institutional clients.

Over the past five years, RFA has run manager searches that have resulted in more than \$4.6 billion in commitments to a variety of managers and strategies; over the past two years, they have reviewed underwriting of more than \$1.0 billion in property acquisitions. RFA has not experienced any significant developments in the past two years and do not anticipate significant changes in the next twelve months.

RFA is registered as an Investment Advisor with the SEC. RFA acts as a fiduciary to clients. RFA does not have relationships with asset managers and does not sell products to or receive any form of payments from asset managers.

RCLCO Fund Advisor’s line of business and contribution to their organization’s total revenue for the past three years is as follows:

Lines of Business	2016	2017	2018	2019 est.
General Pension Consulting	NA	NA	NA	NA
Other Consulting Services	65%	67%	63%	44%
Other	35%	33%	37%	56%

Experience and Depth

RCLCO has extensive experience as a consultant advising institutional clients and their boards on real estate portfolios. RFA commits to attending and presenting at both open and closed session Board of Administration meetings. Boards of directors and other governance bodies have relied upon RCLCO throughout its 50-year history to provide sound, actionable, well-presented advice regarding complex strategic decisions. RCLCO-RFA works with management teams on behalf of boards of directors for a wide array of entities: for-profit companies (both privately and publicly held), non-profit entities such as universities and health care systems, and institutional investors. RCLCO-RFA is engaged by both management teams as well as boards themselves to facilitate and analyze complex strategic planning processes, and then document and present advice and recommendations that are clear and actionable. RCLCO-RFA manage board and management advisory processes on strategic issues ranging from leadership support/succession to capital markets, from changes in strategic direction to metrics and benchmarking.

RCLCO does not work with defined contribution plans.



Conflicts and Disclosures

RFA was incorporated in 2013 and registered with the SEC as a registered investment advisor (“RIA”) in 2014. RCLCO-RFA is an ERISA fiduciary. RCLCO-RFA does not foresee any conflicts of interest.

Environment, Social and Governance

Not addressed.

Services

RFA maintains several real estate and capital market monitoring and risk systems that are integrated into their portfolio oversight, including econometric models of real estate demand and demand forecasts, target market and cycle fundamentals, and capital market risk. RCLCO-RFA maintains several real estate and capital market monitoring and risk systems that are integrated into their portfolio oversight, including econometric models of real estate demand and demand forecasts, target market and cycle fundamentals, and capital market risk. RCLCO-RFA maintains a staff of fifty professionals focused on providing research and analysis, investment training, asset allocation, performance, investment policy review and external manager review services.

RCLCO conducts over 500 market feasibility studies per year to gain insight into real estate markets. RCLCO employs a full-time Analytics and Business Intelligence team that applies industry-wide best practices to manage the firm’s data, which includes both RCLCO’s primary research and additional data from third-parties and provide sophisticated analytical tools and models for RCLCO’s consultants and clients. RCLCO has worked for more than 5,000 clients, hosted annual CEO Summits with top industry leaders, and actively participated in industry organizations like PREA, ULI, NMHC, and Counselors of Real Estate.

RCLCO real estate advisory services include; Real Estate Economics Practice Group and Management Consulting Practice Group.

Fees

Flat Fees - A summary of RCLCO’s fee proposal is included in the table below.

	Annual Fee
Year 1	\$ 1,150,000
Year 2	\$ 1,170,000
Year 3	\$ 1,190,000
Total Fees	\$ 3,510,000
Average Annual Fee	\$ 1,170,000

