

DENISON FIREMEN'S RELIEF AND RETIREMENT FUND

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DATE: June 3, 2024

TO: Consulting Firms

FROM: Denison Firemen's Relief and Retirement Fund

SUBJECT: Investment Consulting Services

The Denison Firemen's Relief and Retirement Fund is seeking an investment consulting firm to advise the Fund on an ongoing, as need basis to assist the Board of Trustees (Board) in making prudent investment management decisions related to the Fund's investment program.

Enclosed for your consideration is a Request for Qualifications, with all attachments.

To be considered for this engagement, your firm must meet the qualifications and satisfy the requirements set forth in the RFQ.

Completed proposals must contain one (1) original and seven (7) copies and may be mailed or delivered by hand or common courier to:

Denison Firemen's Relief and Retirement Fund
Mark Escamilla
Chairman
300 W Main Street
Denison, TX 75020

Proposals must be clearly marked "Do Not Open in Mail Room, Proposal for Investment Consulting Firm."

Proposals must reach the Denison Firemen's Relief and Retirement Fund not later than 10:00 a.m. on Monday, July 8, 2024. Proposals will be opened and read aloud at that time in the City Council Chambers at 300 W Main Street, Denison, Texas.

All questions and correspondence should be directed to Mark Escamilla, Chairman, by email at mescamilla@denisontx.gov.

The Board reserves the right to reject any or all proposals, to waive irregularities in the procedure, to accept only part of a proposal (in the event of multiple-item proposals) and to accept the proposal that the Board considers to be in its own best interest, without regard to whether or not such proposal is the best price received. Bid proposals must be in accordance with the laws of the State of Texas. No bid may be withdrawn less than forty-five (45) days after the date on which bids are opened.

Denison Firemen's Relief and Retirement Fund (the Fund) is seeking an investment consulting firm to advise the Fund on an ongoing, as needed basis to assist the Board of Trustees (Board) in making prudent investment management decisions related to the Fund's investment program. Responding firms must demonstrate experience and expertise in all matters relative to investment consulting. All responding firms must meet the highest standards of professional competence and ethics.

The advisor will act as a fiduciary to the Fund both under state law and by contract and provide the following services:

1. General

- a. Review and make recommendations for updating, amending or modifying the Fund's investment policy, criteria and objectives that include strategies for equities, fixed income, private equity, real estate, diversifying strategies, real assets and cash equivalent investments.
- b. Maintain a broad database of investment managers including their philosophies, styles, fee schedules, portfolio characteristics, firm characteristics, performance, and client base. Providing a database of additional managers within the alternative asset classes is also important to this engagement.
- c. Assist in the development of policies, procedures, and guidelines for the investment program.
- d. Attend meetings of the Board of Trustees and other meetings as required.

2. Asset Allocation

- a. Provide continuous review and recommendations concerning investment policy, portfolio mix and investment strategy relative to changes in the capital markets and structure of similar retirement funds.
- b. Be proactive in providing guidance to the Fund regarding alternative ways to model capital market expectations, portfolio optimization and risk management frameworks.

3. Performance Measurement and Reporting

- a. Prepare quarterly evaluation reports on the performance of the Fund's investment managers including a comparison with the performance and risk metrics of other managers and appropriate peer universes.
- b. Provide the Fund with quarterly and annual performance analysis, including statistical and risk analysis, at both the total Fund portfolio level as well as at the manager level.
- c. Provide the Fund with quarterly and annual performance reports of theoretical portfolios, i.e. market indices, benchmarks, and composite fund portfolios.
- d. Discuss and report on liquidity trends within the portfolio, capturing any concerns the Fund's asset allocation might introduce.

4. Research and Analysis. Prepare comprehensive analysis and advice on specific pension issues as requested by the Board.

Proposal Content. The proposal must include the following information to be considered for the engagement. Additionally,

1. Firm (Team) Name:
2. Firm History Including Assets Under Advisement
3. Company Overview
4. Ownership Structures
5. Mergers and Acquisitions
6. Affiliated Companies and Firm's Lines of Business
7. Firm Health
8. Client Experience
9. Insurance Coverage
10. Please confirm you or your firm will agree to be a fiduciary to the Fund.
11. Please provide a description and current status of any business litigation, legal proceeding, or any regulatory agency action against the firm, a principal, or any professional staff assigned by the firm.
12. Provide Detail About the Advisory Team That Will Be Servicing This Account. Please include a list of team members who have left your firm over the last five years.
13. Describe Your Firm's Approach to Investment Consulting Including:
 - a. Asset Allocation Strategy. Please provide a sample of recommendations recently made and samples of Investment Policies recently recommended.
 - b. Asset Allocation Software
 - c. Capital Market Projections
 - d. Rebalancing
 - e. Investment Research
 - f. Tools to Evaluate Investment Funds and Managers. Please describe your firm's database or ability to analyze investment managers.
 - g. Due Diligence

- h. Investment Selection Process
- i. Investment Evaluation / Scoring Fund
- j. Performance Monitoring. Please provide samples of your performance reports.
- k. Calculating Performance
- l. Reporting Capabilities Including Customization

14. Your fee information including all costs and expenses:

Annual fee for full-service consulting arrangement \$ _____

Please detail the scope of services to be provided under such an arrangement and provide quotes for any additional services.

Annual fee for quarterly performance measurement and portfolio monitoring reports
\$ _____

Fee for manager search projects \$ _____

Fee for asset allocation services \$ _____

Hourly billing rates for special projects or services \$ _____

Please identify any additional fees for services which your firm might provide.

Will your firm agree that neither the firm nor any employee or owner of the firm will receive any commission or fee, directly or indirectly, arising from securities in which the Fund invests?

Are all related travel expenses of the investment consultant pertaining to attendance at Board meetings and onsite meetings included in your fee proposal?