



# Municipal Retirement TRUST

The commitment you expect,  
the security you deserve.

## **Request For Proposal Response Document**

**Respondent: Joseph A Scott Jr.**

**Prepared for: The Borough of**

**Exeter, Luzerne Co., Pennsylvania**

**Police Pension Plan – *Defined Benefit***

**Non-Uniform Plan – *Defined Contribution***

**RFP Due Date: Friday, July 2nd, 2021**

**PART C – RFP STANDARD APPLICATION**  
**Exeter Borough, Luzerne County, Pennsylvania**

**Applicant Information:**

**Company Name and Address:** Pa State Assoc. Of Boroughs  
Municipal Retirement Trust  
2941 North Front Street  
Harrisburg, PA 17110

**Company's Primary Point of Contact (*the applicant*):** Joseph A. Scott

**POC's Phone Number:** (cell – primary #) 717-798-0540 (office / alternate) 717-236-9526 Ext. 1046

**POC's FAX Number:** 717-695-4449

**POC's E-mail Address:** jscott@boroughs.org

{List Additional companies and contact information – if required, in the same format}

**Statement of Confidentiality on information provided:**

All Applicants to this RFP – be advised that; this application and its contents shall be held in a confidential status until the conclusion of the Request for Proposal process, after which, all information provided on this application will become public accessible and may be disseminated in accordance with the other previously established policies of this municipal entity and the specific disclosure requirements of Act 44 of 2009, Chapter 7-A, except, information that is considered proprietary in nature and / or otherwise protected by law.

**Application Instructions & Questions:**

**General Instructions:**

This Application is presented in **WORD** format to allow you to insert your responses without transposing the questions to a separate document. **Applicants must** submit their response to each question below that question and preface each one with the word ***Response:*** in bold Italic. All responses are to be in Times New Roman font – 12 point. Please do not reformat the Application. The completed application shall be returned by email as a PDF file.

**NOTE: NO OTHER FORM OF WRITTEN RESPONSE IS ACCEPTABLE.**

Failure to respond to all questions completely shall cause that applicant (or team) to be disqualified, regardless of their qualifications.

### **Special Instructions:**

This RFP requires applicants to provide detailed information regarding costs and fees structure. Therefore, the following information is provided to assist applicants in calculating these costs and fees. If you require additional information that is not provided in order to properly respond to this RFP, please request this information by immediately **e-mailing** the designated **RFP Point of Contact**. Please explain – briefly – why the requested information is necessary. Further, the **Exeter Borough Council** realizes that if the assets are more or less than those stated at the time the applicant assumes the assets, that the quoted fees may also change, commensurate with the change (+ or -) in assets. The fee quotes are therefore considered a “good faith” estimate by the applicant based on the information provided at the time of application.

**The following demographic information is provided for the reasons stated above.**

#### **Plan Demographics:**

**All demographics listed below are as of, January 1, 2021.**

<b>Exeter Borough Pension Plans</b>	<b>Plan Assets</b>	<b><i># of Active Members</i></b>	<b><i># of Inactive /vested members</i></b>	<b><i># of Retirees</i></b>
<b>Non-Uniform Plan <i>Defined Contribution</i></b>	\$513,475.02	6	0	0
<b>Police Pension Plan <i>Defined Benefit</i></b>	\$1,263,531.75	3	1	4

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# Application Questions:

## Exhibit 1 – Qualifications & Experience

1. Please provide the names and titles of all individuals who will be providing professional services to the **Exeter Borough Pension Plans** identified in the RFP. Further, if your firm will employ any subcontractor, co-applicant, or company that will be a party to providing any of the proposed services relative to this RFP, or in an advisory capacity, please indicate all respective parties and their capacity, relative to servicing these pension plans.

### **MRT Response:**

#### **Principal Contractor Team Listing (PSAB-MRT)**

***PSAB Municipal Retirement Trust (MRT) – The PA State Association of Boroughs  
Principal Pension Operations Contractor***

**Chris Cap**, PSAB Executive Vice President – Serves as MRT Secretary / Treasurer

**Linda Costa**, Director of MRT Trust Accounts / CAO – Inside/Outside pension services and CAO

**Joseph Scott**, Chief Field Operations Officer – Inside/Outside pension Customer Services Liaison

#### **Sub-contractor and Advising Team Listing** (Hired by the PSAB-MRT to provide specific client services)

##### **➤ *Investment Management and Advisory Services***

**Graystone / Morgan-Stanley (Intuitional Investment Management Group) – Trust Investment Advisors  
Market Monitors**

**Thomas J. Schatzman**, CIMA, Senior Vice President & Institutional Consulting Director

**Jeffery Herb**, Senior Vice President, Institutional Investment Consulting Services

##### **➤ *Administrative, Actuarial, Accounting, Banking and Custodial Services***

**Thomas J. Anderson & Associates – Pensions Administration Services / Compliance**

**Doug Werley**, Senior VP – Consultant: Manages Act 205 & Act 600 administrative compliance efforts.

**Hamilton & Musser – Accounting Services**

**Robert Mast**, Shareholder – Manages account reporting, tax filings and fund disbursements.

**Fulton Bank – Fund Depository**

**Tammy Snyder**, VP of Corporate Development – Manages checking and disbursement accounts.

**Foster & Foster Actuaries and Consultants (formerly Beyer Barber Co.) – Actuarial Services (Optional)**

**Randee Sekol**, EA, MAAA, MSPA, FCA, Owner, Beyer Barber Company 1996-present, Approved actuary under Pennsylvania Act 205.

**Mette Evans & Woodside – Law firm providing legal counsel.**

**James Ulsh and Mary Alice Busby**, Shareholders – Serve as the MRT's Solicitors

**Brown, Schultz, Sheridan & Fritz – Independent Trust Auditor**

John W. Bonawitz, Jr., Principal – Supervises and conducts annual audit functions for the Trust.

➤ **Investment Management – Style-Specific Companies**

**Robeco/Boston Partners - Large Cap Value Manager**

Mark Donovan, CFA, Co-CEO – Portfolio Manager

Kerry Ann Jameson – Head of Institutional Distribution

**ISHARES RUSSELL 1000 VALUE ETF - Large Cap Value Manager**

Diane Hsiung - Portfolio Manager

**Vanguard S&P 500 - Large Cap Core Manager**

**Donald M. Butler – Portfolio Manager**

**Winslow Capital Management – Large Cap Growth Manager**

Justin H. Kelly, CFA, CIO - Portfolio Manager

Megan Anderson, President - Managing Director, Client Service

**ISHARES RUSSELL 1000 GRW ETF – Large Cap Growth Manager**

Diane Hsiung - Portfolio Manager

**Wedge Capital Management – Mid-Cap, Core Bond Manager and Short Term Fixed**

Bradley W. Horstmann, CFA, General Partner- Chief Compliance Officer

John G. Norman, Executive Vice President – Portfolio Manager - Equity

**ISHARES RUSSELL MID-CAP GROWTH ETF – Mid-Cap Growth Manager**

Diane Hsiung - Portfolio Manager

**Ancora Advisors - Small Mid Cap Manager**

Dan Theleni, CFA – Portfolio Manager

Dan Hyland– President

**Great Lakes Advisors - Small Mid Cap Manager**

Jon Quigley, CIO - Portfolio Manager

Laurie Watson - Relationship Management

**Harding Loevner - International Fund Manager**

Ferrill Roll, CFA –Portfolio Manager

Kevin Ferguson - Manager, Institutional Business Developments

**Causeway Capital Management - International Fund Manager**

Sarah Ketterer - CEO/Portfolio Manager

Paul O'Grady - Head of National Accounts

**ISHARES MSCI EAFE ETF - International Fund Manager**

Diane Hsiung - Portfolio Manager

**Bentall Kennedy – Real Estate Manager**

Michael Keating – Senior Vice President – Portfolio Manager

Josh Samilow – Vice President - Business Development and Client Relations

**C.S. McKee – Intermediate Government Bond Manager**

Gregory M. Melvin - Portfolio Manager

2. Experience and Expertise of your firm and select individuals:

- a) Describe how long your firm has been providing the types of pension services sought under this RFP – **specifically**, to municipal government entities in Pennsylvania.

***MRT's Response:*** The *Municipal Retirement Trust (MRT)* has been providing municipal pension services ***since 1972*** and is a highly specialized, multi-employer Trust that **exclusively** serves local PA governments. The *MRT* has never allowed investments from private companies, individuals, or municipal investments other than PA Municipal Pension Funds. This is one of the characteristics of the Trust that make it unique. It was founded for the express purpose of providing high-quality, pension investments and other pension services to PA local government entities on a level unlike any other. **The MRT is proud to be *entering its 49th year in providing these services* to PA municipal governments.**

- b) Provide some **brief specifics** relative to the qualifications, experience and expertise of the principal individuals responsible for providing **Investment Management and Advisory Services, Administrative, and Actuarial Services**. Specifically address their experience with respect to **PA municipal pensions**.

***MRT's Response:*** The *Municipal Retirement Trust (MRT)* has been subject to the provisions of Act 205 (1984) and Act 600 (1956) since their adoption. Since PA municipal pensions is our sole focus, our knowledge of these acts and related laws is significant and our experience in providing high-quality and timely advice and guidance is extensive. We highly organized and committed to providing the level of quality service your municipal pensions deserve. The MRT has assembled a group of highly qualified professionals, each of them are specialists in their respective fields and all with **more than 20 years' experience, respectively**. We believe **there is no substitute** for professional, quality pension investment, administration, and customer services. To that extent, our team of professionals (and subcontractors) serving the *Municipal Retirement Trust* are among the very best.

## **INVESTMENT ADVISORY, MONITORING, AND MANAGEMENT AND COMPANIES**

### **Graystone / Morgan Stanley**

The Investment consultant for the PSAB MRT is the **Graystone Consulting group based in Wyomissing PA. This team is ranked as the #1 Institutional Consulting Team in the state of Pennsylvania and #14 in the US by Barron's Magazine April 2021.** Graystone Consulting is a separate business unit of Morgan Stanley and is a leading national investment consulting business, serving institutional investors since 1973.

### **Thomas J. Schatzman, CIMA**

#### **Senior Vice President, Institutional Consulting Director**

Mr. Schatzman has been with Graystone and predecessor firms since 1992 and is part of a consulting practice located in Wyomissing, Pennsylvania which **oversees more than \$9 billion in institutional investment assets**. Prior to joining Graystone, Thomas was employed by General Motors from 1986 to 1992. While with GM, he

helped develop a risk model now used by the company worldwide to assess the credit risk of structured investments originated by GMAC.

**Education:** BS in Economics & MBA in Finance & Investments - George Washington University, graduating with honors

**Professional Certification:** Holds the professional designation of CIMA [Certified Investment Management Analyst] a program sponsored by the Wharton School at the University of Pennsylvania.

**Professional Membership:** Member of the Investment Management Consultants Association and the Association of Professional Investment Consultants.

#### **H. Jeffrey Herb**

##### **Senior Vice President Institutional Consulting Director**

Mr. H. Jeffrey Herb is based out of Graystone Consulting, Wyomissing, PA office and has over 24 years of investment experience, 22 of which have been with Graystone Consulting or its predecessor firms.

He is the co-director of the Wyomissing team. Mr. Herb specializes in Taft-Hartley plans, public funds, corporate pension profit sharing/401(k) plans, endowments, foundations, healthcare organizations and insurance companies. Prior to joining Graystone, Jeffery was employed by Vanguard Group as a 401(k) plan Administrator.

**Education:** Bachelor of Science Degree in Accounting - Pennsylvania State University.

**Professional Certification and Memberships:** CFP – certified financial planner and a member of the Investment Management Consultants Association (IMCA), the Association of Professional Investment Consultants (APIC) and the International Foundation of Employee Benefit Plans (IFEBC).

#### **Investment Management Style-Specific Companies:**

All of these firms have at least 15 + years in investment management. Their PA municipal experience is not relevant to the service they provide to the *MRT* – they were hired by the MRT for their expertise and accomplishments in their style-specific investment management areas. To that extent, they are among the best investment firms in the country.

- **Robeco/Boston Partners - Large Cap Value Manager**
- **ISHARES RUSSELL 1000 VALUE ETF - Large Cap Value Manager**
- **Vanguard S&P 500 - Large Cap Core Manager**
- **Winslow Capital Management – Large Cap Growth Manager**
- **ISHARES RUSSELL 1000 GRW ETF – Large Cap Growth Manager**
- **Wedge Capital Management – Mid-Cap, Core Bond Manager and Short Term Fixed**
- **ISHARES RUSSELL MID-CAP GROWTH ETF – Mid-Cap Growth Manager**
- **Ancora / Thelen Advisors - Small Mid Cap Manager**
- **Great Lakes Advisors - Small Mid Cap Manager**
- **Harding Loevner - International Fund Manager**
- **Causeway Capital Management - International Fund Manager**
- **ISHARES MSCI EAFE ETF - International Fund Manager**
- **Bentall Kennedy – Real Estate Manager**
- **C.S. McKee – Intermediate Government Bond Manager**

## **ADMINISTRATION & ACTUARY SERVICES PROVIDERS:**

### **ADMINISTRATION: Thomas J. Anderson & Associates, Inc.**

**TJ Anderson & Assoc.** has been providing municipal pension services for more than 20 years. The company specializes in PA Municipal Pension Administration and Accounting. They are respected and recognized as one of the most experienced firms in PA Pension regulatory compliance and policy. Mr. Worley is a former supervisor for the PA Department of the Auditor General and possess a keen understanding of the complexities of PA Municipal Pension Administration. They are highly specialized in providing timely and effective guidance on all pension administrative requirements, based on their vast knowledge and experience of PA Pension laws – especially Act 205, Act 600, and Act 44. They are also highly knowledgeable in, and constantly monitor for, changes in **Federal tax and accounting regulations** that may impact the **MRT** and our member municipalities.

### **James P. Kennedy – President**

Mr. Kennedy is the owner and oversees the daily operations of the firm. He has over 25 years of consulting and financial services experience. Mr. Kennedy has an MBA from Harvard University and graduated Magna Cum Laude, Phi Beta Kappa with High Honors from Bowdoin College. He has worked for leading firms including Morgan Guaranty Trust & JP Morgan Securities, Bain & Company, Cap Gemini Sogeti, and Udata Capital & Venture Partners. Mr. Kennedy is a frequent presenter/speaker at municipal pension events and testifies regularly at hearings.

### **Douglas Werley – Senior Consultant**

Mr. Werley is a former auditor and supervisor with twelve years of experience with the Department of the Auditor General in the Bureau of Municipal Pension Audits. Mr. Werley has more than twenty years of experience in pension auditing and administration. Mr. Werley received his B.S. degree in Business Administration from Kutztown University in 1992.

### **ACTUARY: Foster & Foster, Actuaries and Consultants (formerly - Beyer Barber Company) – Actuary**

**Randee W. Sekol**, EA, MAAA, MSPA, FCA, Owner, Beyer Barber Company, Approved actuary under Pennsylvania Act 205. Owner Beyer Barber Company 1996-2021, Actuary, Beyer Barber Company 1986-1996. Founded in 1936 and reorganized in 1988 to provide superior actuarial and consulting services, Beyer Barber Company has been providing actuarial services in accordance with Act 205 requirements for more than 30 years to PA municipal government entities. Beyer Barber is one of Pennsylvania's most trusted and respected Actuarial Firms. **Randee W. Sekol** has been part of their success since its reorganization.



**PSAB – THE MRT PRINCIPAL EXECUTIVES & ADMINISTRATIVE SUPPORT STAFF (PA  
BOROUGH ASSOC. OFFICE):**

**Christopher Cap, PSAB Executive V.P. & MRT Secretary / Treasurer**

Chris assumed the position of PSAB Executive VP and MRT Treasurer as of 1 January 2012. Mr. Cap previously served as Chief Operating Officer of the Municipal Retirement Trust for the past 11 years. He also managed the operations of a statewide unemployment compensation fund (comprised of 651 cities, boroughs and townships), oversees the PSAB communications department, and works with the US Congress, PA State Assembly, and Governor's Office on pertinent financial issues impacting municipalities. Mr. Cap has served PSAB for over 20 years and previously served as a commercial/residential mortgage banker and underwriter for 8 years. He earned his B.A. from the University of Maryland and his M.A. from East Stroudsburg University.

**Linda Costa, Director of Municipal Retirement Accounts & Chief Operations Officer – MRT**

Linda Costa has an extensive business background in program management, marketing and finance. She worked for 15 years in the manufacturing arena in program management doing manpower planning, financial forecasting and budgeting, program statistical collection, internal financial audits, ethics investigations, and coordinating cost reductions. Since moving to Pennsylvania in 1997, she has been employed by PSAB where she established and ran the Police & Fire Testing Service for 5 years, is Executive Director of the PA Association of Councils of Governments and currently is the Director of Municipal Retirement Trust Accounts and serves as the Chief Administrative Officer of the MRT. **She has been working with the PSAB's MRT for the past 10 years in administration.** She has a BA in Psychology and an MBA in Marketing from C.W. Post Center in New York.

**Joe Scott, MRT Chief Field Operations Officer**

Joe Scott has an extensive business background in client support services, management, marketing and sales. **Joe has worked for the MRT in his current position since November of 2001.** He has a BS Degree in Business Administration from Central Pennsylvania College [*graduating Summa Cum Laude*]. Joe's responsibilities with the MRT are focused on new and current MRT client services. Joe is the primary point of contact for new clients seeking to join the MRT as well as providing client services to current clients through phone contacts and routine face to face visits or meetings. He serves as the Primary Compliance POC at the PA Assoc. of Boroughs regarding Act 44 requirements for the MRT and the PSAB membership at large. In 2010, he has authored the only fully functional Act 44 compliance handbook to-date and has lectured extensively throughout the Commonwealth. Joe spent the first 20 years of his adult life with the US Army as an active-duty soldier, 16 of which he served in a leadership / management capacity. After retirement in 1998 from the military, he worked in 2 sales and marketing positions before joining the MRT team.

3. **Client Demographics:** In general terms, describe the make-up of your current municipal client base by answering the following questions:

- a) How many of your current public pension clients are **Pennsylvania municipal pension clients** at the township, borough, or municipal authority level (commonly referred to as *local government entities*)?

**MRT's Response:** The *Municipal Retirement Trust (MRT)* is **exclusive** to PA local government. 100% of the clients enrolled are **PA Municipal Clients**. As of January 1, 2021, the **MRT has 186 municipal clients with 247 pension plans** – about 38% of our clients have **more than one** of their pension plans in the Trust. **Approximately 77%** of our clients are PA Boroughs, 16% are PA Townships, and the remaining 7% are other PA municipal entities (COGs, Regional PDs, Cities, Authorities, etc.). The MRT does not have any municipal clients at the county, or state level and we do not have any private plan clients within the trust.

- b) What are the total pension assets of those **Pennsylvania municipalities** that your firm has under direct financial management?

**MRT's Response:** The MRT Total Asset Base as of January 1<sup>st</sup>, 2021, is \$344,210,200.

- c) How many of your PA municipal clients are Non-Uniform [Defined Contribution] Pension Plans?

**MRT's Response:** The MRT currently manages 63 Non-Uniform Plans that are Defined Contribution Plans.

- d) How many of your PA municipal clients are Police [Defined Benefit] Pension Plans?

**MRT's Response:** The MRT currently manages 93 Police Pension Plans that are Defined Benefit Plans.

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## Exhibit 2 – Services Proposed & Fees

**WARNING:** Your firm **MUST** disclose **all fees** associated with any portion of investment, administration, or advisory services. These will include but are not limited to: **fees directly deducted** from plan assets or billed separately to the Pension Plan; and/ or **any indirect fees** of any form to include fees associated with mutual funds such as expense ratios and other administrative fees or loads – front or back-end. This must also include any fees paid directly or indirectly to any subcontractor or advisor your firm will employ in meeting the requirements of this RFP. Further, **all quoted fees for services must** provide for or cover all services stated in the RFP as “Requirements and Specifications”, at a minimum. **Failure to sufficiently provide** such details, clearly linked to all the desired services requested in this RFP will not be acceptable and result in immediate disqualification.

**4. Provide Services and Fees Information - provide a response to each of the categories listed hereafter, giving as much detail as necessary:**

Provide a comprehensive list of services your firm (and / or any subcontractors) will provide our pension plans, separating them by category – investment, advisory, administrative, and actuarial, as may be applicable.

**Investment & Advisory Services:**

**Administrative & Consulting Services:**

**Actuarial Services:**

**Other Services, if applicable (Specify):**

### Investment Management & Advisory Services Detailed:

**MRT's Response:**

**Investment Advisory Fees** provide all the following by Morgan Stanley Graystone:

**\*\* Oversight of all managers of separately managed accounts and ETFs \*\* Preparation and dissemination of all periodic Financial Reports \*\* Investment advisory and new manager research \*\* Investment customer service, support, & advisory duties \*\* Portfolio performance analysis and rebalancing \*\* Portfolio revision advice \*\* Manager oversight & due diligence activities \*\* Assisting with trustee fiduciary training oversight**

**Investment Management Fees** cover: All fees charged by the management companies of the MRT's separately managed accounts and Index Funds / ETF's. **(see manager's list on page 4)**

**See Response to Question #5 for the projected dollar amount / fee %.**

### Actuarial Services Detailed:

**MRT's Response:** The fees associated with this section pay for:

**The fee for the Police Plan's** Act 205 Actuarial Valuation Report, due every other year (the reporting year). The reports prepared are for a Defined Benefit Plan, per state statute. The charge is only assessed on a biennial basis.

For illustrative purposes, the fee shown in the table that follows for the plan is ½ the biennial fee charged, in order to illustrate it as an annual cost for comparative reasons. Note: the costs for the GASB 67 & GASB 68 are not included. These reports may not be required. For information on the GASB 67 & 68 reports, see reply to Question #6.

**The fee for the Non-Uniform Plan's** Act 205 Report is a flat fee because it is a Defined Contribution Plan.

**See Response to Question #5 for the projected dollar amount / fee %.**

## PSAB-MRT Administrative & Consulting Services Detailed:

**MRT's Response:** The two fees associated with this section pay for all MRT services related to:

### **MRT - MANAGEMENT SERVICES:**

These fees cover costs associated with managing the trust and providing:

- MRT Staff Customer Service & Support,
- Accounting and Trust Auditing Services,
- All Bank & Custodial Services
- Accounting Services including Preparation and dissemination of all periodic Financial Reports
- Investment Advisory and Manager Research with Trustees
- All routine accounting and payment functions including preparation and dissemination of retiree payments and 1099-R forms
- Tracking and accounting for DROP accounts – if applicable
- **NO CHARGE** – consultative visits, preliminary analysis, or administrative phone calls – *we are there when you need us!*

See Response to Question #5 for the projected dollar amount.

**MRT – ADMINISTRATION SERVICES:** These fees cover costs associated with providing the following list of administrative services:

- Preparation of annual financial statements in accordance with GASB 40
- Preparation of all related pension forms required by PA such as AG-385
- Preparation of the annual Minimum Municipal Obligation (MMO) as required by ACT 205.
- Maintaining accurate records of all active, vested, and retired members of the plan and other related data
- Assistance and notification to the municipality regarding its obligations in complying with ACT 205's annual calendar of events such as depositing of state aid and the MMO within the 30-day deadline and annual deadline per Act 205.
- Provide information and assistance through the audit process conducted by the Auditor General (AG)
- Monitor and provide notification to the municipality regarding changing legislation and regulations relevant to pension plan administration.
- Prepare Retiree Benefit Calculations and refund of employee contribution calculations.
- Preparation of Retiree 1099-R and monthly retiree payments
- Additional Administrative Services that include preparation of COLA increase calculations for pension plans that provide for an annual cost of living increase for retirees.
- Attend up to two client meetings per year, more virtually.
- Accounting functions, monthly transactions, and annual account statements, and employee annual statements (DC plans only).
- Assist with contract negotiations & collective bargaining.

### **Other Services, if applicable:**

#### **MRT's Response:**

There are no other regular or recurring services & fees associated with participation in the PSAB-MRT.

5. Based on your response to Question #4, complete the following Fee Summary Table:

**MRT's Response:** Please see Fee Summary Tables on the next page.

**Exeter Borough Non-Uniform Pension Plan**

All figures based on Plan Assets of: approximately \$513,475.00

Fee Type (Annual)	Dollar Amount	As a % of Plan Assets
Total Expected Investment Manager or Mutual Fund Fees (Expense Ratios, 12b-1 fees, etc.)	\$1,438	0.28%
Total Expected Investment Advisor /Management Fee (or RIA Fees)	\$1,027	0.20%
Total Expected Actuarial Fees (enter annual or ½ biennial fees, as applicable)	\$600	0.11%
Total Expected Administrative Fees	\$4,621	0.90%
Other Fees not included above	NA	
<b>TOTAL OF ALL FEES:</b>	<b>\$7,686</b>	<b>1.49%</b>
Do these fees cover all the services stated in <i>Question # 4 – YES or NO?</i> If not, please explain and then detail those additional fees in response to <i>Question #6</i> . <i>MRT's Response: YES</i>		

**Exeter Borough Police Pension Plan**

All figures based on Plan Assets of: approximately \$1,263,531.75

Fee Type (Annual)	Dollar Amount	As a % of Plan Assets
Total Expected Investment Manager or Mutual Fund Fees (Expense Ratios, 12b-1 fees, etc.)	\$3,538	0.28%
Total Expected Investment Advisor /Management Fee (or RIA Fees)	\$2,527	0.20%
Total Expected Actuarial Fees (enter annual or ½ biennial fees, as applicable)	\$1,475	0.11%
Total Expected Administrative Fees	\$9,902	0.78%
Other Fees not included above	NA	
<b>TOTAL OF ALL FEES:</b>	<b>\$17,442</b>	<b>1.38%</b>
Do these fees cover all the services stated in <i>Question # 4 – YES or NO?</i> If not, please explain and then detail those additional fees in response to <i>Question #6</i> . <i>MRT's Response: YES</i>		

## 6. Specify any additional or ancillary services:

- a) Does your firm offer any other services that are or are not included in *Question # 4*? If so, what are these services and what are the fees associated with these services? Please add these additional service costs to your response to *Question # 5* in the “Other Fees” section, unless they are non-routine.

**MRT's Response:** There are no other fees to add to question #5 currently. The MRT Trust Administrator (Thomas J. Anderson & Assoc.) or our Actuary may provide ad/hoc benefit studies or other ancillary services per the client's request that may be outside the scope of our comprehensive services menu. Fees will vary depending upon the issue and other variables. Therefore, written **estimates are always provided** prior to the provision of any services that include a description of the work / service to be performed and the associated costs. As previously stated, if GASB 67 and / or GASB 68 are required, those reports are charged at a rate of \$500 per report, per year, but if not necessary, then there are no other additional routine services & fees unaccounted for at this time. *We **never charge** for consultative phone calls or administrative visits; when you need us, we are there!*

b) Will there be any fees associated with **initial set-up or asset-transfer?**

**MRT's Response:** There are no fees associated with initial setup or transfer when joining the MRT.

c) Are there any fees that would be levied **should Exeter Borough withdraw or terminate** the professional services contract with your firm before the end of the contract? If early termination fees are applicable, what time or types of restrictions apply to these fees? Does your firm require a specific term or length of contract? If so, indicate the minimum period for your firm's contracts.

**MRT's Response:** The MRT does not charge a fee for withdraw or termination from the plan, as participation is voluntary. We simply require 45 days' notice and a brief explanation as to why you are terminating your participation in the MRT.

7. Briefly describe your firm's approach to client support and how the plans will be integrated into your client support network, if selected to provide services to the **Exeter Borough Pension Plans**.

**MRT's Response:** **Client support and services consulting is our #1 Priority, and it starts day 1!**

**Initially...**Client support begins as soon as your municipal leaders officially notify our staff that they intend to select the ***Municipal Retirement Trust***. Linda Costa, the MRT Chief Operations Officer will orchestrate the entire transfer process – she has coordinated many transfers over the past 15+ years and a few from your current provider. She is very personable and helpful. Once the transfer process begins, all customer support is handled by Linda Costa and Doug Worley (TJ Anderson & Assoc.). As soon as appropriate, current plan documents and other contact information as well as a list of other critical documents that must be incorporated into the municipality's pension plan are requested.

**Shortly afterward, Thomas J. Anderson & Associates** will schedule a visit (or telephonic conference) with the municipality to review all pension documents, with special emphasis on three critical areas: Overall employee benefit structure, past 3 audit reports, and previous Act 205 reports. They will also focus on any recent changes in

PA Pension Law that may need to be addressed as well as correcting any previous audit findings from the AG's auditors. The focus here is to ensure legal compliance, effective and compliant administration of the plan, and to provide the municipality with advice and written instructions for corrective action to mitigate any deficiencies they find. Thereafter...the plan is routinely monitored, and corrections are made as circumstances present themselves. The MRT's Chief of Field Operations, Joe Scott also makes periodic service visits with the municipality to answer questions or provide guidance. **Joe Scott also coordinates and attends all scheduled meetings that the municipal client requests.** Prior to audits by the PA AG's office, our administrative team will ensure that all the documents you need are in place and properly prepared. They will also field any questions during or after the audit from either the municipal leadership or the auditor. Support by the PSAB staff is always available, as is Thomas J. Anderson & Assoc. – *we are always just a phone call away.*

8. Do you or your parent company receive any direct or indirect compensation from investment managers?

**MRT's Response:** The PSAB-MRT nor Morgan Stanley-Greystone (the MRT investment advisors) receive any direct or indirect compensation from any of our investment managers – this is applicable to all Separately Managed Accounts and ETF's. Our arrangement with the investment managers and ETF's are completely independent.

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### Exhibit 3 – Reporting and Accountability

9. In accordance with the requirements of this RFP, your firm must agree to offer periodic meetings with municipal leadership to discuss investment performance or administrative matters. How often do you suggest these meetings should be held? Are there additional costs incurred for these meetings? If yes, please specify the fees and how they are calculated, including travel expenses if applicable.

**MRT's Response:** The *Municipal Retirement Trust* encourages regular meetings with the leadership of every municipal pension plan within the Trust and **does not charge** additional fees for these meetings – *up to 4 times per year*. We generally suggest at least one meeting annually to review your plan and its overall administration – optimally we find that based on the size of your plan, **1 meeting per year is sufficient**, but we leave that decision up to you. At these meetings we review your reports, the Trust's investment performance, any new changes or mandates from the state or federal government that will impact our clients, and answer any questions concerning their plan. While this is our suggested approach, we will tailor our approach to these meetings to fit the desires of Exeter Borough's leaders and the pension committee. The overall goal is to be informative and promote constructive dialogue and a high degree of understanding with each client.

10. Briefly describe your firm's approach to monitoring and managing regulatory changes imposed by state and federal government entities and how you assist municipal clients in maintaining compliance.

**MRT's Response:** *The primary company responsible for monitoring pension-related regulatory changes is Thomas J. Anderson and Associates (the administrative services company for the MRT)* The Municipal Retirement Trust also engages several other professional entities who monitor and advise the trust on changes that occur regarding State and Federal regulations. At the Trust level, we are advised by all our supporting companies and their experts in each area. In addition, we receive regular updates from the MRT's solicitor firm, **Mette Evans & Woodside, Attorneys at Law**. For trust-related changes, they are handled at the trust level. For changes that must be handled at the plan level, each municipal pension plan's sponsoring entity is contacted and advised of those changes that directly affect them.

A major part of the PSAB's efforts is monitoring all regulatory changes imposed by the State or Federal government on municipal governments of all levels. As these new statutes are enacted or current ones changed, **we formulate guidance and quickly distribute that guidance** to all our MRT clients. With the experienced assistance and advice of **TJ Anderson and Assoc.**, we work diligently to move all MRT clients to 100% compliant. This type of monitoring and administrative management is of the **highest priority for the MRT**.



That is why the MRT has a track record of being proactive and on schedule with meeting compliance changes.  
*We do it right the first time – usually way ahead of our contemporaries.*

***Regarding adverse audit findings from the AG's office:***

**Although rare, when audit findings occur, we respond promptly and accurately.** This is always a high priority for our member municipalities. Finding effective and timely solutions and responding promptly is an absolute standard for our administrative services provider, **Thomas J. Anderson & Assoc.** **They offer this response...***“As former Department of the Auditor General Auditors who work closely with the Department, we provide timely and relevant guidance to avoid audit findings as much as possible. If and when a finding does occur, we extensively work with municipal officials to comply with the audit recommendation. When it appears that the Department of the Auditor General is in error, we work with municipal officials to have an incorrect audit finding rescinded.”*

11. Provide one example of an *Investment Summary Report*. This should be labeled **Appendix A** in your response.

Also, provide a sample *Annual Summary of Assets Statement* or *Annual Plan Summary Statement* and should be labeled **Appendix B** in your response. These reports should be ones that your firm will routinely provide to the Borough.

**THEN:**

- a) Provide information on the timing and distribution of investment performance reports following the end of a reporting period.

***MRT's Response:*** The MRT provides the *Investment Summary Report* via our pension website on a quarterly basis. The *Summary of Assets Statement* is provided monthly, and it is sent via regular US Mail to the municipality. ***See Report Examples*** for both reports in **Appendix A** and **Appendix B**, respectively.

- b) What are the costs for providing this report?

***MRT's Response:*** The MRT does not charge for these routine reports. They are provided as part of the Trust's general administrative services.

- c) How many business days after the end of a reporting period are these reports available?

***MRT's Response:*** The *Investment Summary Report* is posted (usually) within 15 days of the Quarter closing. The *Summary of Assets Statements* are usually mailed within 10 days of the monthly closing (last business day of the month).

## Exhibit 4 – Investment Management and Performance

12. Will your firm act as a fiduciary to the pension plan and if so, specify the extent of your fiduciary role?

**MRT's Response:** This question applies only to Morgan Stanley Greystone, the investment advisors to the MRT and the response was expressly provided by them:

*"Graystone Consulting, a business unit of Morgan Stanley, acknowledges that we provide investment advisory and consulting services under our Institutional Services Agreement as a fiduciary under the Investment Advisers Act of 1940."*  
- Thomas J. Schatzman, CIMA -

13. Is your firm, its parent or affiliate a registered investment advisor with the SEC under the Investment advisors Act of 1940?

**MRT's Response:** This question applies only to Morgan Stanley Greystone, the investment advisors to the MRT and the response was expressly provided by them:

*"Graystone Consulting is a business of Morgan Stanley Smith Barney (MSSB), which is a registered investment advisor with the Securities and Exchange Commission (SEC) per the Investment Advisers Act of 1940 (SEC file number: 801-70103)." - Thomas J. Schatzman, CIMA -*

14. Does your firm utilize any proprietary funds or investment instruments that are owned, operated, or contractually affiliated with your firm or its parent company? If so, please describe those relationships.

**MRT's Response:** The MRT is a multiemployer trust and as such, has no such holdings or affiliations. This question more directly applies to Morgan Stanley / Greystone Consulting, the investment advisors to the MRT and their response was expressly provided by them:

*"In a word, no. Graystone Consulting as a matter of policy, exclusively recommends outside investment managers unless a client requests information about affiliated investments. We do not manage any of these assets directly; stressing that our clients' interests always come first."*  
- Thomas J. Schatzman, CIMA -

15. Briefly discuss who is responsible for investment manager selection (or mutual fund selection), asset allocation, monitoring and advising. Also, indicate (normally) how often the account (or the overall portfolio) is reviewed, reallocated, or rebalanced.

**MRT's Response:** The investment services portion offered by the MRT are via a structured, multi-employer trust – this is one of the greatest *advantages of participating in the MRT!* This arrangement means our municipal clients gain a higher level of fiduciary & management responsibility, better investment research resources, and

cost savings. The **PA State Association of Boroughs** is responsible for the overall governance of the **Municipal Retirement Trust**. Its Trustees, the MRT Officers, and the PSAB Board, collectively manage the trust and directly supervise all of the subcontractors and advisors to the Trust, on behalf of the 240+ member plans. Therefore, the MRT shares in the fiduciary responsibility that your municipal leadership has regarding the plan. This offers a unique and added layer of security and scrutiny to the overall operation of the pension plan that is otherwise not offered by other service providers. All subcontractors to the MRT are subject to the rules of the Trust – the very extensive Trust Master Document. Each subcontractor is hired to provide a specific set of services to the Trust and its participants and is therefore subordinate to the MRT and its governing body, the PSAB.

Part of the Trust's services includes an extensive **Investment Advisory, Management and Reporting System**. We place these daunting responsibilities and daily activities in the capable, highly professional and experienced hands of **Mr. Thomas J. Schatzman, CIMA** and **Mr. H. Jeffery Herb of Graystone / Morgan Stanley**.

***Asset Allocation / investment policy changes:***

The investment manager structure is based on the MRT Investment Policy, which dictates how the Trust assets are to be allocated and an acceptable deviation in each type. Changes to the MRT Investment Policy do not occur except as necessary or required by law. When a change is needed, **Graystone /Morgan-Stanley** reviews the change and recommends to the Trustees what policy changes are required.

This document is reviewed annually. The MRT Trustees then vote to accept these changes and present them to the PSAB board for final approval.

***Seeking new candidates and / or replacing underperforming managers:***

When a manager must be added to replace a deficient one or to expand the portfolio's investments, **Graystone /Morgan-Stanley** will leverage all of their resources to search for the top 4 or 5 style-specific investment managers (*i.e. Large Cap Value*) nationally. This is a very rigorous process and applicants are selected from among the top investment firms across the United States. Once the initial screening has been done, all finalists appear before the MRT Trustees for interview and final selection (under the guidance of our investment experts from Graystone). A finalist is selected and voted on by the entire PSAB Board. The approved candidate is then added to the MRT and allotted a predetermined portion of trust assets.

***Addressing portfolio rebalancing or re-allocations of funds and earnings:***

This task requires timing, resources, and complex expertise. **Mr. Thomas J. Schatzman, CIMA** and **Mr. H. Jeffery Herb** are also charged with this responsibility, executing changes as necessary and in accordance with the **Master Trust & Investment Policy** and when these changes are clearly prudent or advantageous to the investment posture of the Trust. They are also responsible for monitoring investment performance, conducting quarterly (monthly) meetings & training sessions with the MRT Trustees, and making recommendations to the

MRT Trustees. Account review happens weekly, rebalancing or reallocation happens when and as necessary under the direction and oversight of Mr. Herb and Mr. Schatzman.

16. Briefly discuss your firm's approach to prudent stewardship of the assets of **Exeter Borough Pension Plans** and specifically, risk-return measures your firm will employ to protect the plans' assets. What measures or indicators do your firm use to track risk in the portfolio and risk-adjusted return? Are these results routinely shared / discussed with a client?

**MRT's Response:**

*In our opinion, this is one of most important responses in this RFP Application.*

*Here's why....* For more than 40 years, prudent, responsible stewardship of *all MRT client assets* has been a **hallmark of the Municipal Retirement Trust program**. We are not only focused on gaining investment returns but *retaining / protecting investment capital [your pension's assets]*. This is extremely important with municipal pensions – many times representing the only other retirement income for employees, apart from social security. So, risk monitoring and the overall investment management approach for the trust is very important. Producing positive returns are certainly the goal but so is protecting assets against downturns in the investment market. A reasonable balance between income growth and risk management is *paramount to your pension plans' survival*. The **MRT understands this** and is committed to the concept of “*prudent, responsible stewardship*” for the benefit of all the 240+ plans in the Municipal Retirement Trust. Given the size of the Trust and the number of plan participants' we support across the commonwealth, we are driven by necessity for an even greater degree of conservancy in both the investment plan design and plan policy for the MRT – more so than many of our competitors.

What follows are some of the highlights of the *MRT's safeguard approach to monitoring and mitigating risk* within the investment portfolio and *then there are the results*. The results of our conservative approach and quality investment standards are our report card. In our estimation, we have met the standards with measurable success.

***Risk Management – Our Approach***

**MRT Investment Policy highlights – The “foundation” of any solid pension plan:**

1. Emphasizes quality investments with respectable earnings; not just chasing the highest returns.
2. Strict control of the investment managers via Investment Policy with details for each manager – specific instructions and limitations, not just an “overview”.
3. Use of *Separately Managed Accounts* instead of mutual funds – promotes stricter guidance and policy adherence as well as better overall control.
4. Restrictions on illiquid or leveraged stocks and other high-risk investment instruments such as low quality or junk bonds.

5. Limitations on investing in ETF's and Index funds – mixing these with actively managed accounts as complementary and as a means of enhancing earnings – not mainly to reduce cost.
6. Policy that places a high emphasis on manager selection [of *separately managed accounts*], and continual oversight by investment professionals
7. No investments with managers / Index funds or ETF's that are owned or operated by Morgan Stanley nor ones that have financial arrangements with Morgan Stanley – precluding any favoritism or possible conflicts of interest or appearance of the same.
8. Funds (except ETFs) are not comingled – all separately managed accounts consist of only MRT funds.

### **Employing the Best Advisors and Account Managers**

Our Advisors at Graystone /Morgan Stanley are Institutional level managers and as so have much at their disposal in terms of data, research, and analysis that is unavailable to most investment consultants in PA. Morgan Stanley /Graystone employs: the latest reporting and analytical technology; the most extensive team of experienced analysts; and the most sophisticated support network of economists and investment professionals available. In short, as institutional investment managers for Morgan Stanley, they have all the resources of one of the largest and most respected investment companies at their disposal.

Lastly, our Morgan Stanley team of Mr. Tom Schatzman and Mr. Jeff Herb were **ranked 14th (nationally)** by *Barron's Magazine* in their [national ranking](#) of top 50 Institutional Investment Managers for 2021 and **number 1 in PA** – an accomplishment that attests to their abilities, dedication, and hard work.

### ***Risk Reward Tracking and Reporting***

1. Monthly, several different risk-management and tracking software are employed to produce reports that are compared to each other along with other statistical information to ensure our investments are tracking within desirable limits.
2. This data is compared to a custom (or blended) index for further comparison. The goal is not to constantly exceed the index, during a positive earnings environment – this would possibly indicate we are taking as much or more risk as the index. The idea is to achieve as much return as possible while tracking within tolerable risk limits of the index. Conversely, in a down market, we want to be doing better than the index – that is, not losing as much during the downside.
3. Morgan Stanley routinely tracks about 14 different risk measurements; the ones we most commonly review, relative to our benchmark are:
 

a) Treynor Ratio	b) Standard Deviation
c) Sharpe Ratio	d) Beta
e) Upside Market Capture	f) Alpha
g) Downside Market Capture	h) Net Annualized Return vs. Index
i) Maximum Downside	

4. Morgan Stanley also tracks deviations or changes in trends in the investment world that may indicate that changes in portfolio allocations or changes in a specific manager are necessary to protect assets or enhance returns. Those changes are implemented expeditiously but only after prudent review and scrutiny.
5. Continual oversight by Morgan Stanley (our MRT advisors) as well as the MRT's board of Trustees – meetings, reports, teleconferencing on a monthly and quarterly basis.
6. Investments and investment managers are tracked closely and Mr. Schatzman and Mr. Herb visit managers routinely as part of their due diligence process, on behalf of the PSAB-MRT.
7. If and when the Trustees of the Municipal Retirement Trust [in conjunction with advice and analysis from Morgan Stanley] feel that a manager or group of managers or a specific investment trend requires attention or alterations to the investment portfolio, they have the authority to make the necessary changes to correct deficiencies or react to changes in market conditions in a timely manner. This level of oversight and management is second to none.

### Measuring our Success – the Long-term Results

During low or marginal market returns, the PSAB-MRT has consistently performed better than our peers.

- Example, in 2001 and 2002, most plans lost about -2% in 2001 and about -7.5% in 2002. The PSAB-MRT lost just -0.40% and -5.2% respectively. Again in 2015, most pension plans in PA that were similarly invested lost between -1.1% and -2.0% while the PSAB-MRT managed a modest + 0.13% gain.
- **During the historic market losses in 2008...**Most pension plans lost on average -25% while PSAB-MRT plans lost about -16.8%. *On a \$1,000,000 pension plan that 8.2% difference would equate to about \$82,000 in investment savings! It's hard to argue with that kind success.*
- **Upside / downside market capture.** The PSAB-MRT historically (2000 to 2020) has an **Upside Market Capture average of 83%** (the market is producing positive returns) while our **Downside Market Capture averages just 69.15%** (the market is losing money or has negative returns).
- **A Sharpe ratio for the same 21-year period (2000 – 2020) of 0.66 vs. PSAB Policy Index of 0.57. Our Standard Deviation of 8.29 and a Beta of 0.82 were also strong indications of our success.**
- *As for long-term performance: Since the Inception of the current investment management and advisory arrangement, dated 1/1/2000, the PSAB-MRT (Balanced Acct.) has returned an average annual net return **6.96% (time-weighted) vs. its total benchmark of 6.43% (2000 – 2020).** Our risk-managed approach to investment strategies since 2000 are a major reason we have realized this level of performance success. During this period, we have realized more net investment gain and taken less risk than our policy's benchmark (index). We have also outperformed many of our peer group.*

17. Briefly describe the **asset classes and allocation mix** your firm proposes to employ if selected to provide investment services. Further, if you will be utilizing mutual funds, provide a sample mutual fund selection for each of the asset classes you would invest in and the corresponding allocation by % to each fund. If using ETFs or Separately Managed Accounts, provide the same information. THEN...describe why you feel your firm's overall approach to asset management is best suited to meet the needs of the **Exeter Borough Pension Plans**.

***MRT's Response:*** **Municipal Retirement Trust Overview:** The MRT provides a very modern, comprehensive investment approach to its investment services. The Trust operates two distinct investment Options; both are actively managed by seasoned investment professionals. As described later, the MRT offers two distinct investment options for municipalities to choose from – the **Balanced Account** and the **Fixed Account**. The MRT staff does not direct a municipality as to which of the account choices they should invest in. While this is Exeter Borough Council's fiduciary decision, *the Investment Advisors to the MRT from Graystone/ Morgan-Stanley will* assist the borough's leadership with this selection, if desired. These two options provide an opportunity for each municipality to determine its own level of risk-tolerance and then choose the account they feel best suits their needs.

**Although, it should be noted that the **Balanced Account** most closely meets the criteria of this RFP.**

This is the current MRT Portfolio of investments (*See table – next page*):

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## MRT Asset Allocation – By % and Manager

**As of January 1, 2021**

Investment Manager or ETF	Plan %	Type of Account	Asset Class	Investment Manager or ETF	Plan %	Type of Account	Asset Class
<u>Large Cap Core</u>			Domestic Equity 40.7%	<u>International Equity</u>			Inter-national 18.1%
Vanguard S & P 500 Index	12.0%	ETF		iShares MSCI EAFE index	3.6%	ETF	
<u>Large Cap Value</u>				Causeway Capital Mgmt.	7.0%	Separately Managed Acct.	
iShares Russell 1000 Value	4.0%	ETF		Harding Loevner	7.5%	Separately Managed Acct.	
Robeco / Boston Partners	8.7%	Separately Managed Acct.		<u>Fixed Income</u>			Fixed Income 33.0%
<u>Large Cap Growth</u>				Wedge Core Fixed Income	10.5%	Separately Managed Acct.	
iShares Russell 1000 Growth	4.6%	ETF		Wedge Short Term	18.5%	Separately Managed Acct.	
Winslow Capital	4.6%	Separately Managed Acct.		CS McKee & Co	4.0%	Separately Managed Acct.	
<u>Mid/Small Value</u>				<u>Real Estate</u>			Real Estate 7.0%
Wedge Capital	3.1%	Separately Managed Acct.		Bentall Kennedy	7.0%	Private Real Estate	
<u>Mid/Small Core</u>				<u>CASH</u>	1.2%	Money Market Dist.	Cash – 1.2%
Ancora Thelen - SMID Cap Core	1.5%	Separately Managed Acct.					
Great Lakes - SMID Cap Core	1.6%	Separately Managed Acct.					
<u>Mid/Small Growth</u>							
iShares Russell Midcap Growth	0.6%	ETF					

### ➤ Why is the MRT a ***“Best Choice”*** for Exeter Borough’s Police & Non-Uniform Pension Plans?

**1. Resources vs. Cost** – The MRT provides municipalities with investment services that are far above what the average municipality can garner on their own and we do it for a fraction of the cost. To replicate the same level of investment advisory and management service that MRT members receive, would cost a municipality more than double the fees we charge. Most of the Investment Managers we use are not available to clients with assets under \$20 million. By joining the MRT, municipalities gain access to that level of expertise and do not have to pay the exorbitant fees of mutual funds (your only alternative).

**2. High Quality Investments** with ***strictly enforced investment policies*** for **managed market risk**. In short, we manage to the ***“downside of the market”***. That means our investment professionals work hard to gain all they can



for us without taking undue risk – *we don't take chances with your money*. We do not invest in leveraged, illiquid, low quality-high risk investments, nor do we allow our managers to do the same. We control the investments our managers and we hold them to very high standards. This is possible because most of our investments are made *via Separately managed accounts, not mutual funds*. This type of management is not available through mutual funds – investors do not tell them what they may or may not invest in and therefore do not control the quality of those investments.

**3. Time-tested, long-term results and service:** For more than 40 years, the MRT has provided high quality investments that have stood up to the ups and downs of the market. Though our investment strategy has changed with the times, our goals have not – neither have our superior results.

***“Some advantages of the MRT investment portfolio structure versus a mutual fund portfolio”***

As prepared / presented by Tom Schatzman – Graystone /Morgan-Stanley Institutional investment Consultants.

**Transparency** – The MRT portfolio structure relies on separately managed accounts, not mutual funds. The difference is that the MRT has full transparency at the individual security level for all of its investment strategies. This allows the MRT to monitor risk in a way that is not possible with a mutual fund that only discloses its individual holdings every 30 days with a 30-day lag. In other words, the MRT knows what it owns every day and manages risk accordingly. In a mutual fund portfolio, investors only know what securities they own 60 days after they have been purchased. They also have no control over what holdings a mutual fund purchases or sells.

**Cost Savings** – Actively managed mutual funds are more expensive than separately managed accounts. The average expense ratio of the mutual fund portfolios is about .69% while the average expense ratio of the investment managers in the MRT is .29%. This kind of expense difference (about .40%), compounded over a 10-year period, can represent some significant investment loss.

**Trading Expenses** – The SEC does not require mutual funds to report trading expenses as part of their stated investment management fee. The only way to see what a mutual funds' trading expenses are is by reading a document called the Statement of Additional Information. Trading expenses vary, but studies conducted by Don Phillips of *Morningstar*, in 2013 found that trading expenses were .3% per year on average. As an example, a mutual fund client's true cost of owning mutual funds may be closer to .99% (.30% + .69% shown above) rather than the stated average fund fee of .69% (for example). The MRT has no trading expenses. All MRT trading is done at 0 cents per share on a “best execution” basis.

**Derivatives** – Some bond funds use derivatives (SWAPS, options, and futures) that can cause unintended risk during times of market stress. The MRT investment policy strictly forbids the use of derivatives.

**Performance and Over Diversification** – Many times, municipal pension plan portfolios each are overly diversified (owning an overabundance of mutual funds, compared to the assets). Many times, we see pension plans that own anywhere from 20 to 30 highly diversified mutual funds. Holding these many funds creates over-diversification. It is estimated that the number of stock holdings in these portfolios to be close to 2,200, sometimes more. Owning these many stocks creates a portfolio that mimics the returns of an index fund while providing none of the fee reduction benefits that indexing offers.

## THE INVESTMENT ACCOUNT CHOICES:

**The Balanced Account** is essentially a high quality, blended account consisting of an investment mix of about 60% Stocks / 40% Bonds. The quality of the investment managers, and the rigid investment guidelines placed on them by the investment policy help to ensure that the balance between investment returns and the limitation of undue risk is achieved. The quality of expertise and the vast resources available to the MRT through our affiliation with *Graystone/ Morgan-Stanley* cannot be overstated. The level of investment service afforded all MRT plan participants is virtually impossible to replicate as a stand-alone pension plan. In the Table that follows, our current “investment allocations” along with the maximum and minimum allowable ranges are illustrated.

### Balanced Account Diversification:

Type	Current Portfolio Allocation (as of January 1, 2021)	Minimum and Maximum Range
Total Equities	58.8%	55% to 65%
Fixed Income	33.0%	30% to 40%
Real Estate Investments	7.0%	0% to 8%
Cash and Equivalents	1.20%	Less than 5%

**The Fixed Account** is essentially an investment grade, **high quality bond investment portfolio**, specifically chosen to meet the needs of clients that want an alternative to the traditional blended investment strategy and do not want exposure to the equities market.

We believe that both plans reflect adequate and contemporary investment strategies, based on certain risk-tolerance criteria. The PSAB-MRT approach to asset management is rather conservative; that is, we manage assets to protect against the “downside” of market trends. Both accounts are actively managed and monitored by the professionals previously described and are refined / rebalanced according to prevailing circumstances and MRT rules within our *Master Trust Investment Policy* that govern such actions. As previously stated, our proactive, yet conservative approach to asset management has netted an **average yearly rate of return** in excess of **+6% per year over the past 18 years (Balanced Account)**, a about 4.5% (**Fixed Account**). This places the MRT as one of the top PA municipal pension investment performers over the same period of time. It’s hard to argue with that level of success.

**Monitoring and Review of the Portfolio:** The Portfolios for both the Fixed Account and the Balanced Account are monitored continually by the investment advisors. They are monitored and reviewed monthly by the Trustees and three times a year by the entire board. The Board may convene a special meeting at any time to address issues, should immediate changes be necessary.

**18. Past Investment Performance History:**

- a) Based on your response to Question # 17, Provide the Annualized **NET rate of return** for a client your firm manages and with the same (or essentially the same) asset allocation mix as you have proposed in response to Question # 17. Respond for each of the timeframes indicated below and the index (or indexes) your firm uses as a benchmark to measure performance.

Be sure the sample client you select has at least 10 years under your management. If not, you may use a composite of your clients, so long as they meet the criteria of the RFP and the allocation closely resembles the one you used to respond to Question # 17. **You must clearly indicate that, in responding to all Questions that follow, you are using composite data.**

**Investment Returns Chart**

Timeframe	Net Rate of Return %
Returns YTD – through May 31, 2021	8.24%
1 <sup>st</sup> Qtr. 2021 YTD (if available – if not, enter “Not Avail”)	3.98%
Year ended 2020 (time-weighted)	11.27%
3-year Average (time-weighted) thru 2020	7.54%
5-year Average (time-weighted) thru 2020	8.36%
7-year Average (time-weighted) thru 2020	7.03%
10-year Average (time-weighted) or since inception* thru 2020	7.05%
<i>* If date of inception is used, please indicate the specific date of inception.</i>	

- b) Based on your answer to *part a) of this Question*, what were the **NET rates of return** for each of the last 10 years. Please complete the table below as your response to this question.

YEAR	2010	2011	2012	2013	2014
Net Return	11.98%	-3.73%	9.42%	16.65%	7.60%
INDEX	11.51%	0.31%	11.26%	14.58%	7.48%
YEAR	2015	2016	2017	2018	2019
Net Return	0.13%	5.18%	14.18%	- 4.87%	17.50%
INDEX	- 0.50%	5.80%	13.07%	- 3.86%	18.72%

- c) Please provide the Index (or hybrid combination of indexes – by %) used as a Performance Benchmark in b) above:

***MRT's Response:*** The PSAB-MRT Currently a composite benchmark, comprised of the following: 39% S&P 500, 5% NAREIT, 12% MSCI ACWI ex US (net), 13% Barclay's US Aggregate, 22% ML 1-3yr Treasury, 4% Russell 2000 Growth, 5% Russell Mid Cap Value (As of June 2014) prior to this date a different composite was used.

19. It is important that the ***Rates of Return*** provided in your response to **question # 18** reflect an account that is (essentially) of the same make-up and design as you proposed in your response to **question # 17** for comparative reasons...if this is the case, indicate this by, "***yes this in the case***", as your response below – no further response is necessary. For those respondents that have used composite information or data in **Question 18**, please explain here why composite data was used and how it correlates with your response to **Questions 17**.

***MRT's Response:*** YES, the portfolio make-up and design are exclusive to the Trust and thus, the same for all plan participants that were active during the periods indicated. Therefore, the ***Rates of Return*** are the same as well – depending on which Account the municipality chooses to select – ***Balanced or Fixed Account***. Individual account annual returns may vary from year to year based the timing of deposits and withdraws but the figures presented are a good-faith representation of an individual account performance, though the rates shown are the composite returns of the entire MRT. All official investment performance figures are net of fees and only tracked at the Trust level.

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**Appendix A**  
***Sample***  
***Investment Summary***  
***Report***



# Municipal Retirement TRUST

The commitment you expect,  
the security you deserve.

## Pennsylvania State Association of Boroughs Quarterly Trust Report

December 31, 2020

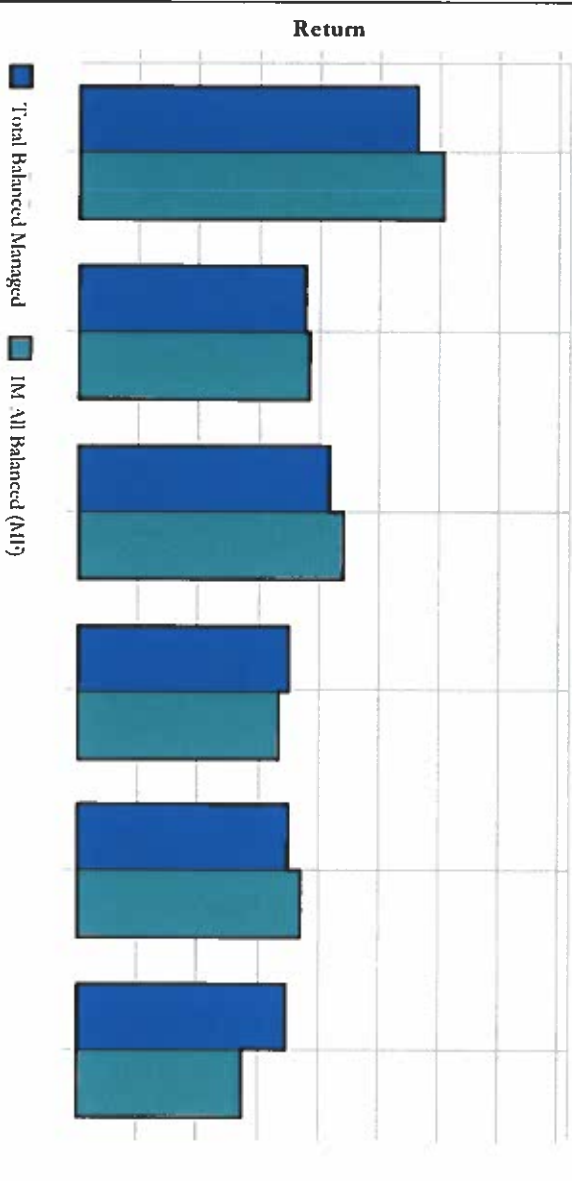
### **Morgan Stanley**

1350 Broadcasting Rd  
Wyomissing, PA 19610  
610-478-4500

**H. Jeffrey Herb**  
*Senior Vice President*  
*Institutional Consulting Director*

**Thomas J. Schatzman, CIMA**  
*Senior Vice President*  
*Institutional Consulting Director*

MRT Balanced Performance as of 12/31/20

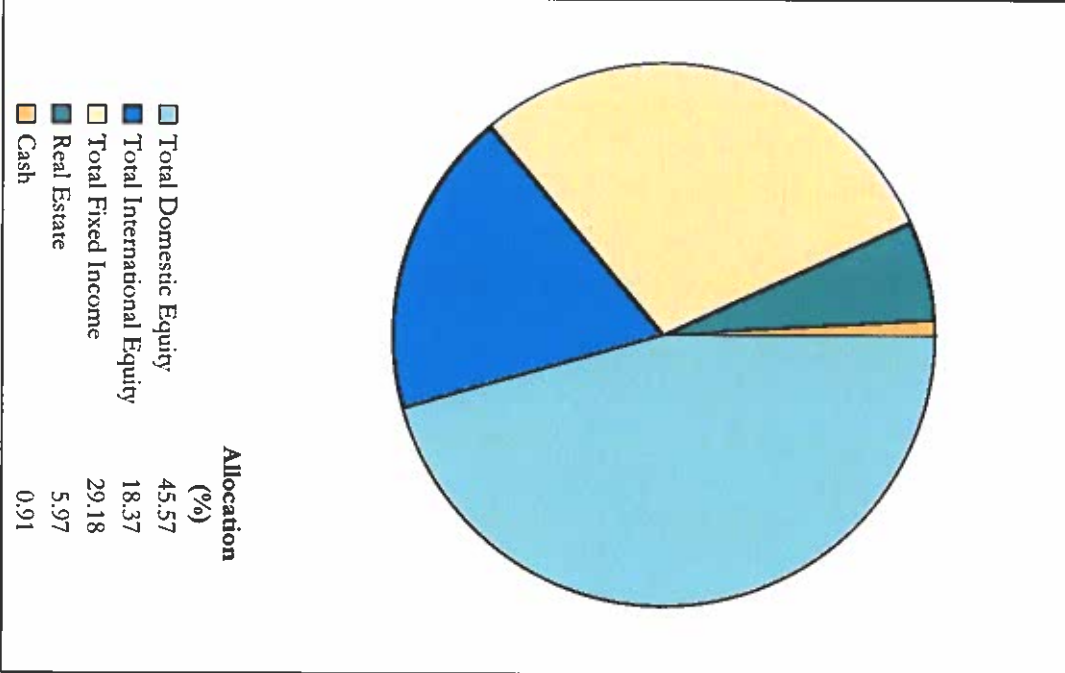


Total Balanced Managed	11.27	7.54	8.36	7.03	7.05	6.96
IM All Balanced (MF) Median	12.10	7.68	8.79	6.69	7.42	5.47

MRT Performance as of 12/31/20

	Q4	Q3	Q2	Q1	YTD
Total Balanced Managed	9.80	4.69	11.90	-13.49	11.27
IM All Balanced (MF) Median	10.17	5.13	13.31	-14.85	12.10

MRT Asset Allocation as of 12/31/20



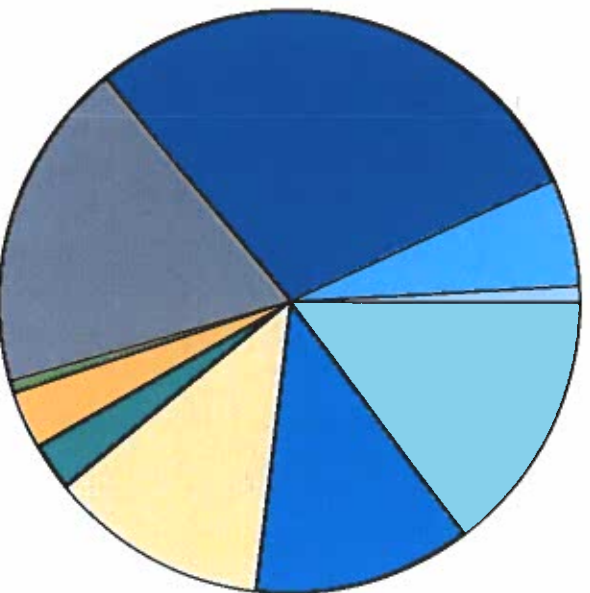


# PSAB Municipal Retirement Trust

## MRT Balanced Account - Summary Report

As of December 31, 2020

December 31, 2020 : \$337,145,795



	Market Value (\$)	Allocation (%)
Large Core	49,300,139	14.62
Large Value	41,229,918	12.23
Large Growth	40,851,400	12.12
Mid/Small Value	9,250,294	2.74
Mid/Small Core	10,664,190	3.16
Mid/Small Growth	2,357,784	0.70
Total International Equity	61,922,032	18.37
Total Fixed Income	98,378,265	29.18
Real Estate	20,123,785	5.97
Cash	3,067,988	0.91

	(\$)	%
<b>Total Balanced Accounts including Cash</b>	<b>337,145,795</b>	<b>100.00</b>
<b>Large Core</b>	<b>49,300,139</b>	<b>14.62</b>
Vanguard S&P 500 Index	49,300,139	14.62
<b>Large Value</b>	<b>41,229,918</b>	<b>12.23</b>
iShares Russell 1000 Value	12,981,115	3.85
Robeco/Boston Partners	28,248,803	8.38
<b>Large Growth</b>	<b>40,851,400</b>	<b>12.12</b>
iShare Russell 1000 Growth	20,934,633	6.21
Winslow	19,916,766	5.91
<b>Mid/Small Value</b>	<b>9,250,294</b>	<b>2.74</b>
Wedge Capital	9,250,294	2.74
<b>Mid/Small Core</b>	<b>10,664,190</b>	<b>3.16</b>
Ancora/Thelen - Small Mid Cap Core	5,076,532	1.51
Great Lakes - SMID Cap Core	5,587,658	1.66
<b>Mid/Small Growth</b>	<b>2,357,784</b>	<b>0.70</b>
iShares Russell Midcap Growth	2,357,784	0.70
<b>Total International Equity</b>	<b>61,922,032</b>	<b>18.37</b>
iShares MSCI EAFE Index	11,715,734	3.47
Causeway Capital Management	22,391,589	6.64
Harding Loevner	27,814,709	8.25
<b>Total Fixed Income</b>	<b>98,378,265</b>	<b>29.18</b>
Wedge Core Fixed Income	35,295,454	10.47
Wedge Short Term	51,756,234	15.35
CS McKee & Co	11,326,578	3.36
<b>Real Estate</b>	<b>20,123,785</b>	<b>5.97</b>
Bentall Kennedy	20,123,785	5.97
<b>Cash</b>	<b>3,067,988</b>	<b>0.91</b>
Money Market Distribution	3,067,988	0.91

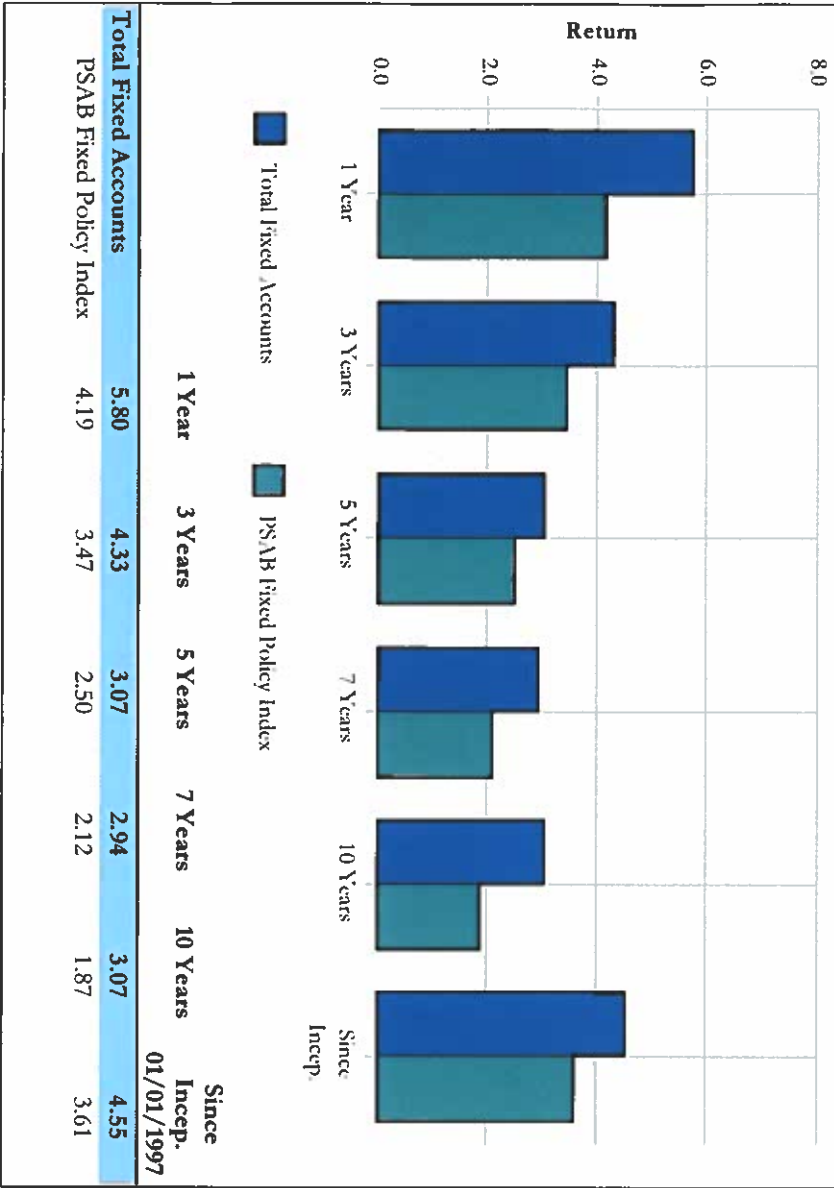


PSAB Municipal Retirement Trust

MRT Fixed Account - Summary Report

As of December 31, 2020

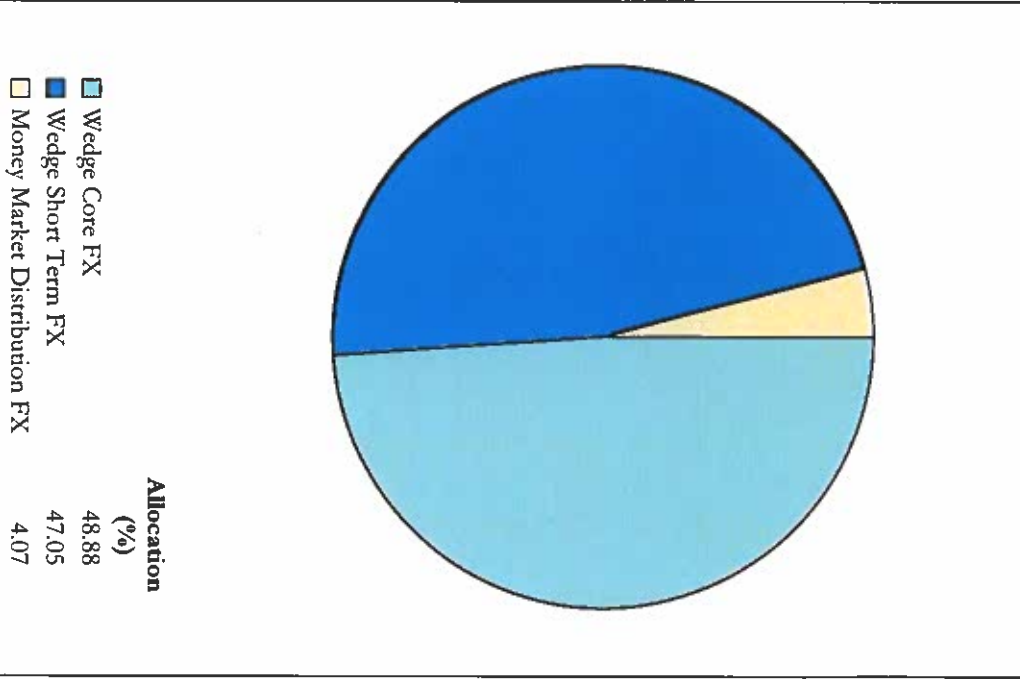
MRT Fixed Performance as of 12/31/20



MRT Performance as of 12/31/20					
	Q4	Q3	Q2	Q1	YTD
Total Fixed Accounts	0.38	0.87	2.40	2.04	5.80
PSAB Fixed Policy Index	0.22	0.28	1.13	2.51	4.19

MRT Fixed Asset Allocation as of 12/31/20

December 31, 2020 : \$7,053,771



# Performance Appendix

Performance Data below is net of fees. Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.

Account Name	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Ancora/Theleu - Small Mid Cap Core	25.31	6.85	6.85	5.55	--	--	5.66	08/01/2017
Bentall Kennedy	1.27	0.48	0.48	4.00	--	--	4.31	01/01/2017
CS McKee & Co	0.52	6.10	6.10	4.54	--	--	4.43	12/01/2017
Causeway Capital Management	22.87	3.58	3.58	0.12	--	--	3.05	05/01/2017
Great Lakes - SMID Cap Core	22.30	12.48	12.48	7.69	--	--	12.17	08/01/2017
Harding Loevner	14.91	20.33	20.33	7.98	--	--	9.43	06/01/2017
Money Market Distribution	0.00	0.48	0.48	0.83	0.82	--	--	01/01/1997
Money Market Distribution FX	0.00	0.47	0.47	0.74	0.47	0.28	1.69	01/01/1997
Robeco/Boston Partners	18.74	3.18	3.18	5.17	9.64	--	8.04	05/01/2014
Vanguard S&P 500 Index	12.15	18.35	18.35	14.14	15.18	--	--	04/01/2014
Wedge Capital	26.70	-0.65	-0.65	-0.49	5.92	9.27	8.13	07/01/2000
Wedge Core FX	0.47	6.54	6.54	4.81	3.81	3.61	--	12/01/1999
Wedge Core Fixed Income	0.72	8.94	8.94	6.04	4.99	4.43	--	12/01/1999
Wedge Short Term	0.32	5.12	5.12	3.90	2.94	2.46	2.56	11/01/2009
Wedge Short Term FX	0.31	5.15	5.15	3.91	2.95	--	2.25	02/01/2012
Winslow	8.77	37.54	37.54	23.76	19.91	--	16.98	10/01/2011
iShare Russell 1000 Growth	11.34	38.21	38.21	22.74	--	--	22.41	06/01/2016
iShares MSCI EAFE Index	16.27	7.92	7.92	4.28	--	--	7.15	05/01/2017
iShares Russell 1000 Value	16.21	2.67	2.67	5.92	--	--	9.24	06/01/2016
iShares Russell Midcap Growth	18.94	35.29	35.29	20.23	--	--	20.94	10/01/2017

All performance above are Time Weighted(TWR) performance

## Glossary of Terms

**Active Contribution Return:** The gain or loss percentage of an investment relative to the performance of the investment benchmark.

**Active Exposure:** The percentage difference in weight of the portfolio compared to its policy benchmark.

**Active Return:** Arithmetic difference between the manager's return and the benchmark's return over a specified time period.

**Actual Correlation:** A measure of the correlation (linear dependence) between two variables X and Y, with a value between +1 and -1 inclusive. This is also referred to as coefficient of correlation

**Alpha:** A measure of a portfolio's time weighted return in excess of the market's return, both adjusted for risk. A positive alpha indicates that the portfolio outperformed the market on a risk-adjusted basis, and a negative alpha indicates the portfolio did worse than the market.

**Best Quarter:** The highest quarterly return for a certain time period.

**Beta:** A measure of the sensitivity of a portfolio's time weighted return (net of fees) against that of the market. A beta greater than 1.00 indicates volatility greater than the market.

**Consistency:** The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. The higher the consistency figure, the more value a manager has contributed to the product's performance.

**Core:** Refers to an investment strategy mandate that is blend of growth and value styles without a pronounced tilt toward either style.

**Cumulative Selection Return (*Cumulative Return*):** Cumulative investment performance over a specified period of time.

**Distribution Rate:** The most recent distribution paid, annualized, and then divided by the current market price. Distribution rate may consist of investment income, short-term capital gains, long-term capital gains, and/or return of capital.

**Down Market Capture:** The ratio of average portfolio returns over the benchmark during periods of negative benchmark return. Lower values indicate better product performance.

**Downside Risk:** A measure similar to standard deviation, but focuses only on the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. The higher the value, the more risk the product has.

**Downside Semi Deviation:** A statistical calculation that measures the volatility of returns below a minimum acceptable return. This return measure isolates the negative portion of volatility: the larger the number, the greater the volatility.

**Drawdown:** A drawdown is the peak-to-trough decline during a specific period of an investment, fund or commodity.

**Excess over Benchmark:** The percentage gain or loss of an investment relative to the investment's benchmark.

**Excess Return:** Arithmetic difference between the manager's return and the risk-free return over a specified time period.

**Growth:** A diversified investment strategy which includes investment selections that have capital appreciation as the primary goal, with little or no dividend payouts. These strategies can include reinvestment in expansion, acquisitions, and/or research and development opportunities.

**Growth of Dollar:** The aggregate amount an investment has gained or lost over a certain time period, also referred to as Cumulative Return, stated in terms of the amount to which an initial dollar investment would have grown over the given time period.

**Investment Decision Process (IDP):** A model for structuring the investment process and implementing the correct attribution methodologies. The IDP includes every decision made concerning the division of the assets under management over the various asset categories. To analyze each decision's contribution to the total return, a modeling approach must measure the marginal value of every individual decision. In this respect, the hierarchy of the decisions becomes very important. We therefore use the IDP model, which serves as a proper foundation for registering the decisions and relating them to each other.

**Information Ratio:** Measured by dividing the active rate of return by the tracking error. The higher the Information Ratio, the more value-added contribution by the manager.

**Jensen's Alpha:** The Jensen's alpha measure is a risk-adjusted performance measure that represents the average return on a portfolio or investment above or below that predicted by the capital asset pricing model

(CAPM) given the portfolio's or investment's beta and the average market return. This metric is also commonly referred to as alpha.

**Kurtosis:** A statistical measure that is used to describe the distribution, or skewness, of observed data around the mean, sometimes referred to as the volatility of volatility.

**Maximum Drawdown:** The drawdown is defined as the percent retrenchment from a fund's peak to the fund's trough value. It is in effect from the time the fund's retrenchment begins until a new fund high is reached. The maximum drawdown encompasses both the period from the fund's peak to the fund's valley (length), and the time from the fund's valley to a new fund high (recovery). It measures the largest percentage drawdown that has occurred in any fund's data record.

**Modern Portfolio Theory (MPT):** An investment analysis theory on how risk-averse investors can construct portfolios to optimize or maximize expected return based on a given level of market risk, emphasizing that risk is an inherent part of higher reward.

**Mutual Fund (MF):** An investment program funded by shareholders that trade in diversified holdings and is professionally managed.

**Peer Group:** A combination of funds that share the same investment style combined as a group for comparison purposes.

**Peer / Plan Sponsor Universe:** A combination of asset pools of total plan investments by specific sponsor and plan types for comparison purposes.

**Performance Ineligible Assets:** Performance returns are not calculated for certain assets because accurate valuations and transaction data for these assets are not processed or maintained by us. Common examples of these include life insurance, some annuities and some assets held externally.

**Performance Statistics:** A generic term for various measures of investment performance measurement terms.

**Portfolio Characteristics:** A generic term for various measures of investment portfolio characteristics.

**Preferred Return:** A term used in the private equity (PE) world, and also referred to as a "Hurdle Rate." It refers to the threshold return that the limited partners of a private equity fund must receive, prior to the PE firm receiving its carried interest or "carry."

**Ratio of Cumulative Wealth:** A defined ratio of the Cumulative Return of the portfolio divided by the Cumulative Return of the benchmark for a certain time period.

**Regression Based Analysis:** A statistical process for estimating the relationships among variables. It includes many techniques for modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables

**Residual Correlation:** Within returns-based style analysis, residual correlation refers to the portion of a strategy's return pattern that cannot be explained by its correlation to the asset-class benchmarks to which it is being compared.

**Return:** A rate of investment performance for the specified period.

**Rolling Percentile Ranking:** A measure of an investment portfolio's ranking versus a peer group for a specific rolling time period (i.e. Last 3 Years, Last 5 years, etc.).

**R-Squared:** The percentage of a portfolio's performance explained by the behavior of the appropriate benchmark. High R-Squared means a higher correlation of the portfolio's performance to the appropriate benchmark.

**S/A/C/F (Separate Account/Comingled Fund):** Represents an acronym for Separate Account and Comingled Fund investment vehicles.

**Sector Benchmark:** A market index that serves as a proxy for a sector within an asset class.

**Sharpe Ratio:** Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance results in.

**Standard Deviation:** A statistical measure of the range of a portfolio's performance; the variability of a return around its average return over a specified time period.

**Total Fund Benchmark:** The policy benchmark for a complete asset pool that could consist of multiple investment mandates.

**Total Fund Composite:** The aggregate of multiple portfolios within an asset pool or household.

**Tracking Error:** A measure of standard deviation for a portfolio's investment performance, relative to the performance of an appropriate market benchmark.

**Treynor Ratio:** A ratio that divides the excess return (above the risk free rate) by the portfolio's beta to arrive at a unified measure of risk adjusted return. It is generally used to rank portfolios, funds and benchmarks. A higher ratio is indicative of higher returns per unit of market risk. This measurement can help determine if the portfolio is reaching its goal of increasing returns while managing market risk.

**Up Market Capture:** The ratio of average portfolio returns over the benchmark during periods of positive benchmark return. Higher values indicate better product performance.

**Upside Semi Deviation:** A statistical calculation that measures the volatility of returns above an acceptable return. This return measure isolates the positive portion of volatility; the larger the number, the greater the volatility.

**Value:** A diversified investment strategy that includes investment selections which tend to trade at a lower price relative to its dividends, earnings, and sales. Common attributes are stocks that include high dividend, low price-to-book ratio, and/or low price-to-earnings ratio.

**Worst Quarter:** The lowest rolling quarterly return for a certain time period.

## Information Disclosures

*Performance results are annualized for time periods greater than one year and include all cash and cash equivalents, realized and unrealized capital gains and losses, and dividends, interest and income. The investment results depicted herein represent historical performance. As a result of recent market activity, current performance may vary from the figures shown. Past performance is not a guarantee of future results.*

*Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.*

*Benchmark indices and blends included in this material are for informational purposes only, are provided solely as a comparison tool and may not reflect the underlying composition and/or investment objective(s) associated with the account(s). Indices are unmanaged and not available for direct*

*investment. Index returns do not take into account fees or other charges. Such fees and charges would reduce performance.*

*The performance data shown reflects past performance, which does not guarantee future results. Investment return and principal will fluctuate so that an investor's shares when redeemed may be worth more or less than original cost. Please note, current performance may be higher or lower than the performance data shown. For up to date month-end performance information, please contact your Financial Advisor or visit the funds' company website.*

*Investors should carefully consider the fund's investment objectives, risks, charges and expenses before investing. The prospectus and, if available the summary prospectus, contains this and other information that should be read carefully before investing. Investors should review the information in the prospectus carefully. To obtain a prospectus, please contact your Financial Advisor or visit the funds' company website.*

Past performance is no guarantee of future results.

Investing involves market risk, including possible loss of principal. Growth investing does not guarantee a profit or eliminate risk. The stocks of these companies can have relatively high valuations. Because of these high valuations, an investment in a growth stock can be more risky than an investment in a company with more modest growth expectations. Value investing involves the risk that the market may not recognize that securities are undervalued and they may not appreciate as anticipated. Small and mid-capitalization companies may lack the financial resources, product diversification and competitive strengths of larger companies. The securities of small capitalization companies may not trade as readily as, and be subject to higher volatility than those of larger, more established companies. Bond funds and bond holdings have the same interest rate, inflation and credit risks that are associated with the underlying bonds owned by the funds. The return of principal in bond funds, and in funds with significant bond holdings, is not guaranteed. International securities' prices may carry additional risks, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes and differences in financial and accounting standards. International investing may not be for everyone. These risks may be magnified in emerging markets. Alternative investments, including private equity funds, real estate funds, hedge funds, managed futures funds, and funds of hedge funds, private equity, and managed futures funds, are speculative and entail significant risks that can include losses due to leveraging or other speculative investment practices, lack of liquidity, volatility of returns, restrictions on transferring interests in a fund, potential lack of diversification, absence and/or delay of information regarding valuations and pricing, complex tax structures and delays in tax reporting, less regulation and higher fees than mutual funds and risks associated with the operations, personnel and processes of the advisor. Master Limited Partnerships (MLPs) are limited partnerships or limited liability companies that are taxed as partnerships and whose interests (limited partnership units or limited liability company units) are traded on securities exchanges like shares of common stock. Currently, most MLPs operate in the energy, natural resources or real estate sectors. Investments in MLP interests are subject to the risks generally applicable to companies in the energy and natural resources sectors, including commodity pricing risk, supply and demand risk, depletion risk and exploration risk; and MLP interests in the real estate sector are subject to special risks, including interest rate and property value fluctuations, as well as risks related to general and economic conditions. Because of their narrow focus, MLPs maintain exposure to price volatility of commodities and/or underlying assets and tend to be more volatile than investments that diversify across many sectors and companies. MLPs are also subject to additional risks including: investors having limited control and rights to vote on matters affecting the MLP, limited access to capital, cash flow risk, lack of liquidity, dilution risk, conflict of interests, and limited call rights related to acquisitions.

Mortgage backed securities also involve prepayment risk, in that faster or slower prepayments than

expected on underlying mortgage loans can dramatically alter the yield-to-maturity of a mortgage-backed security and prepayment risk includes the possibility that a fund may invest the proceeds at generally lower interest rates.

**Tax managed funds** may not meet their objective of being tax-efficient.

**Real estate investments** are subject to special risks, including interest rate and property value fluctuations, as well as risks related to general and economic conditions. **High yield fixed income securities**, also known as "junk bonds", are considered speculative, involve greater risk of default and tend to be more volatile than investment grade fixed income securities.

Credit quality is a measure of a bond issuer's creditworthiness, or ability to repay interest and principal to bondholders in a timely manner. The credit ratings shown are based on security rating as provided by Standard & Poor's, Moody's and/or Fitch, as applicable. Credit ratings are issued by the rating agencies for the underlying securities in the fund and not the fund itself, and the credit quality of the securities in the fund does not represent the stability or safety of the fund. Credit ratings shown range from AAA, being the highest, to D, being the lowest based on S&P and Fitch's classification (the equivalent of Aaa and C, respectively, by Moody's). Ratings of BBB or higher by S&P and Fitch (Baa or higher by Moody's) are considered to be investment grade-quality securities. If two or more of the agencies have assigned different ratings to a security, the highest rating is applied. Securities that are not rated by all three agencies are listed as "NR".

**"Alpha tilt strategies** comprise a core holding of stocks that mimic a benchmark type index such as the S&P 500 to which additional securities are added to help tilt the fund toward potentially outperforming the market in an effort to enhance overall investment returns. Tilt strategies are subject to significant timing risk and could potentially expose investors to extended periods of underperformance."

**Custom Account Index:** The Custom Account Index is an investment benchmark based on your historical target allocations and/or manager selection that you may use to evaluate the performance of your account. The Custom Account index does take into consideration certain changes that may have occurred in your portfolio since the inception of your account, i.e., asset class and/or manager changes. However, in some circumstances, it may not be an appropriate benchmark for use with your specific account composition. For detailed report of the historical composition of this blend please contact your Financial Advisor.

### Peer Groups

Peer Groups are a collection of similar investment strategies that essentially group investment products that share the same investment approach. Peer Groups are used for comparison purposes to compare and illustrate a client's investment portfolio versus its peer across various quantitative metrics like performance and risk. Peer Group comparison is conceptually another form of benchmark comparison whereby the actual investment can be ranked versus its peer across various quantitative metrics.

All Peer Group data are provided by Investment Metrics, LLC.

The URL below provides all the definitions and methodology about the various Peer Groups

<https://www.invmetrics.com/style-peer-groups>

### Peer Group Ranking Methodology

A percentile rank denotes the value of a product in which a certain percent of observations fall within a peer group. The range of percentile rankings is between 1 and 100, where 1 represents a high statistical value and

100 represents a low statistical value.

The 30th percentile, for example, is the value in which 30% of the highest observations may be found, the 65th percentile is the value in which 65% of the highest observations may be found, and so on.

Percentile rankings are calculated based on a normalized distribution ranging from 1 to 100 for all products in each peer group, where a ranking of 1 denotes a high statistical value and a ranking of 100 denotes a low statistical value. It is important to note that the same ranking methodology applies to all statistics, implying that a ranking of 1 will always mean highest value across all statistics.

For example, consider a risk/return assessment using standard deviation as a measure of risk. A percentile ranking equal to 1 for return denotes highest return, whereas a percentile ranking of 1 for standard deviation denotes highest risk among peers.

In addition, values may be used to demonstrate quartile rankings. For example, the third quartile is also known as the 75th percentile, and the median is the 50th percentile.

### Alternatives

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Alternatives may be either traditional alternative investment vehicles or non-traditional alternative strategy vehicles. Traditional alternative investment vehicles may include, but are not limited to, Hedge Funds, Fund of Funds (both registered and unregistered), Exchange Funds, Private Equity Funds, Private Credit Funds, Real Estate Funds, and Managed Futures Funds. Non-traditional alternative strategy vehicles may include, but are not limited to, Open or Closed End Mutual Funds, Exchange-Traded and Closed-End Funds, Unit Investment Trusts, exchange listed Real Estate Investment Trusts (REITs), and Master Limited Partnerships (MLPs). These non-traditional alternative strategy vehicles also seek alternative-like exposure

but have significant differences from traditional alternative investment vehicles. Non-traditional alternative strategy vehicles may behave like, have characteristics of, or employ various investment strategies and techniques for both hedging and more speculative purposes such as short-selling, leverage, derivatives, and options, which can increase volatility and the risk of investment loss. Characteristics such as correlation to traditional markets, investment strategy, and market sector exposure can play a role in the classification of a traditional security being classified as alternative.

Traditional alternative investment vehicles are illiquid and usually are not valued daily. The estimated valuation provided will be as of the most recent date available and will be included in summaries of your assets. Such valuation may not be the most recent provided by the fund in which you are invested. No representation is made that the valuation is a market value or that the interest could be liquidated at this value. We are not required to take any action with respect to your investment unless valid instructions are received from you in a timely manner. Some positions reflected herein may not represent interests in the fund, but rather redemption proceeds withheld by the issuer pending final valuations which are not subject to the investment performance of the fund and may or may not accrue interest for the length of the withholding. Morgan Stanley does not engage in an independent valuation of your alternative investment assets. Morgan Stanley provides periodic information to you including the market value of an alternative investment vehicle based on information received from the management entity of the alternative investment vehicle or another service provider.

Traditional alternative investment vehicles often are speculative and include a high degree of risk. Investors should carefully review and consider potential risks before investing. Certain of these risks may include but are not limited to: • Loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices; • Lack of liquidity in that there may be no secondary market for a fund; • Volatility of returns; • Restrictions on transferring interests in a fund; • Potential lack of diversification and resulting higher risk due to concentration of trading authority when a single advisor is utilized; • Absence of information regarding valuations and pricing; • Complex tax structures and delays in tax reporting; • Less regulation and higher fees than mutual funds; and • Risks associated with the operations, personnel, and processes of the manager. As a diversified global financial services firm, Morgan Stanley Wealth Management engages in a broad spectrum of activities including financial advisory services, investment management activities, sponsoring and managing private investment funds, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication, and other activities. In the ordinary course of its business, Morgan Stanley Wealth Management therefore engages in activities where Morgan Stanley Wealth Management's interests may conflict with the interests of its clients, including the private investment funds it manages. Morgan Stanley Wealth Management can give no assurance that conflicts of interest will be resolved in favor of its clients or any such fund.

Indices are unmanaged and investors cannot directly invest in them. Composite index results are shown for illustrative purposes and do not represent the performance of a specific investment. Past performance is no guarantee of future results. Actual results may vary. Diversification does not assure a profit or protect against loss in a declining market. Any performance or related information presented has not been adjusted to reflect the impact of the additional fees paid to a placement agent by an investor (for Morgan Stanley placement clients, a one-time upfront Placement Fee of up to 3%, and for Morgan Stanley investment advisory clients, an annual advisory fee of up to 2.5%), which would result in a substantial reduction in the returns if such fees were incorporated.

For most investment advisory clients, the program account will be charged an asset-based wrap fee every quarter ("the Fee"). In general, the Fee covers investment advisory services and reporting. In addition to the Fee, clients will pay the fees and expenses of any funds in which their account is invested. Fund fees and expenses are charged directly to the pool of assets the fund invests in and impact the valuations. Clients must understand that these fees and expenses are an additional cost and will not be included in the Fee amount in the account statements.

As fees are deducted quarterly, the compounding effect will be to increase the impact of the fees by an amount directly related to the gross account performance. For example, for an account with an initial value of \$100,000 and a 2.5% annual fee, if the gross performance is 5% per year over a three year period, the compounding effect of the fees will result in a net annual compound rate of return of approximately 2.40%

per year over a three year period, and the total value of the client's portfolio at the end of the three year period would be approximately \$115,762.50 without the fees and \$107,372.63 with the fees. Please see the applicable Morgan Stanley Smith Barney LLC Form ADV Part 2A for more information including a description of the fee schedule. It is available at [www.morganstanley.com/ADV](http://www.morganstanley.com/ADV) <<http://www.morganstanley.com/ADV>> or from your Financial Advisor/Private Wealth Advisor.

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##### Money Market Funds

You could lose money in Money Market Funds. Although MMFs classified as government funds (i.e., MMFs that invest 99.5% of total assets in cash and/or securities backed by the U.S. government) and retail funds (i.e., MMFs open to natural person investors only) seek to preserve value at \$1.00 per share, they cannot guarantee they will do so. The price of other MMFs will fluctuate and when you sell shares they may be worth more or less than originally paid. MMFs may impose a fee upon sale or temporarily suspend sales if liquidity falls below required minimums. During suspensions, shares would not be available for purchases, withdrawals, check writing or ATM debits. A MMF investment is not insured or guaranteed by the Federal Deposit Insurance Corporation or other government agency.

**Appendix B**  
***Sample***  
***Annual Summary of***  
***Assets Statement***

## **SAMPLE: Monthly / Annual Account Statement**

### **ANYTOWN BOROUGH SCHEDULE OF CHANGES IN NET ASSETS PSAB MUNICIPAL RETIREMENT TRUST**

**Balanced Fund**

MRT: xxxx09124

For the Twelve Months Ending: December 31, 20XX

	<u><b>Month to Date</b></u>	<u><b>Year to Date</b></u>
<b>Receipts:</b>		
State Aid	\$0.00	\$65,090.68
Employer Contributions	0.00	7,759.32
Employee Contributions Required	0.00	17,253.98
Employee Contributions Voluntary	0.00	0.00
Interest, Net of Investment Fees	1,509.01	12,814.14
Dividend Income	2,199.79	12,874.41
Realized Gains (Loss)	3,367.34	31,472.39
Unrealized Gains (Loss)	50,916.11	109,319.44
Misc. Income	0.00	0.00
Transfer in – Other Funds	0.00	0.00
Transfer in – Previous Trust	0.00	0.00
	-----	-----
Total Receipts	57,992.25	256,584.36
	-----	-----
<b>Disbursements:</b>		
Pension Payments	6,789.53	80,293.56
Lump Sum Payments	23,330.77	23,330.77
Annuity Purchase	0.00	0.00
Return Excess State Aid	0.00	0.00
Return Employee Contributions	0.00	0.00
Return of Excess Employer Cont	0.00	0.00
Actuarial / Consulting Fees	0.00	1,900.00
Administration Fees	250.00	3,000.00
Admin. Fees Allocated	1,061.79	8,271.92
Auditing Fees	0.00	0.00
Insurance Premiums	0.00	0.00
Legal Fees	0.00	0.00
Misc. Expenses	0.00	0.00
Transfer out – Other Funds	0.00	0.00
Transfer out – Withdraw	0.00	0.00
	-----	-----
Total Disbursements	31,432.09	116,796.25
	-----	-----
Net Change In Assets	26,560.16	139,788.11
<b>Assets Beginning of Period</b>	1,595,227.49	1,481,999.54
<b>Assets End of Period</b>	<b>\$1,621,787.65</b>	<b>\$1,621,787.65</b>



## PART D: ACT 44 STANDARD DISCLOSURE FORM

### EXETER BOROUGH, PENNSYLVANIA

#### LIST OF MUNICIPAL OFFICIALS & EMPLOYEES

**APPLICANTS:** Certain questions on this Disclosure Form will refer to a “*List of Municipal Officials.*” To assist you in preparing your answers, you should consider the following names to be a complete list of pension system and municipal officials and relevant employees.

**MUNICIPALITY:** Enter below, a list of municipal officials that have any involvement in the administration or management of the pension system – Elected Officials, Appointed Officials and Employees, Board Members, or other Pension Committee Members (if applicable). Do not include employees that are not in a management position or serve on a pension committee or in a decision-making position relative to this pension system. If a category listed below is not applicable, so state.

Elected Officials:			
Name:	Title:	Name:	Title:
Joseph Pizano	Council President	Joseph Esposito	Council Member
John Morgan	Council Vice President	Richard Murawski	Council Member
Carmen Marranca	Council Member	David Balent	Council Member
Lori DeAngelo	Council Member	Denise Adams	Mayor
Employees or Appointed Officials:			
Name:	Title:	Name:	Title:
Kendra Radle	Boro. Secretary.	Raymond A. Hassey, Esq.	Solicitor
Kendra Radle	Borough Manager		
Others: Pension Committee Members (if applicable) (not listed above):			
Name:	Title:	Name:	Title:

#### APPLICANT STANDARD DISCLOSURE QUESTIONS

**APPLICANT INSTRUCTIONS:** In accordance with Chapter 7-A of Act 44, 2009, ALL applicants responding to this RFP must complete the following Standard Disclosure Form Questions.

1. Initial each question (except Q1:) to provide your response in the space provided to the right of each question.
2. **THEN:** provide explanations for all “Yes” or “Applies” responses AND, the information requested in Q1: (mandatory), on a separate sheet(s) of paper with the question you are responding to clearly noted. Attach your response sheet to this Disclosure Form.

## PART D: ACT 44 STANDARD DISCLOSURE FORM

### EXETER BOROUGH, PENNSYLVANIA

#### LIST OF MUNICIPAL OFFICIALS & EMPLOYEES

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# DISCLOSURE QUESTIONS

Questions	If your answer is "Yes" or "Applies" Please provide this information as instructed above	RESPONSES	
		Initial Here for: "Yes" or "Applies"	Initial Here for: "No" or "Does not Apply"
Q1. Please provide the names and titles of <u>all individuals</u> who will be providing professional services to the Requesting Municipal entity's pension plan(s) identified. Also include the names and titles of <u>any advisors and subcontractors</u> of the Contractor, identifying them as such. After each name provide a brief description of the responsibilities of that person regarding the professional services being provided.	<b>**ALL Applicants:</b> Provide all information as stated in the question on a separate page and attach it to this disclosure. Initials in the boxes to the right are not necessary.	NA	NA
Q2. Please list the name and title of any <i>Affiliated Entity</i> and their <i>Executive-level Employee(s)</i> that require disclosure; after each name, include a brief description of their duties. (See: Definitions)	Provide all information as stated in the question.		d
Q3. Are any of the individuals named in Question #1 or #2 above, a current or former official or employee of the Requesting Municipal entity?	IF "YES", provide the name and of the person employed, their position with the municipality, and dates of employment.		CC
Q4. Are any of the individuals named in Question #1 or #2 above, a current or former registered Federal or State lobbyist?	IF "YES", provide the name of the individual, specify whether they are a state or federal lobbyist, and the date of their most recent registration /renewal.	CC	
Q5. Disclose the terms of employment / compensation of any third-party intermediary, agent, or lobbyist that is to directly or indirectly communicate with an official or employee of the <i>Municipal Pension System</i> of the Requesting Municipal entity (OR), any municipal official or employee of the Requesting Municipal entity in connection with any transaction or investment involving the <i>Applicant (or an Affiliated Entity)</i> and the <i>Municipal Pension System</i> of the Requesting Municipality?  This question does not apply to an officer or employee of the <i>Applicant</i> who is acting within the scope of the firm's standard professional duties on behalf of the firm, pursuant to the professional services contract with municipality's pension system.	IF "YES", identify:  (1) (the third party intermediary, agent, or lobbyist) whom will be paid the compensation or employed by the <i>Applicant</i> or <i>Affiliated Entity</i> ,  (2) their specific duties to directly or indirectly communicate with an official or employee of the <i>Municipal Pension System</i> of the Requesting Municipality (OR), any municipal official or employee of the Requesting Municipality, and  (3) The official they will communicate with.		CC
Q6. Since December 17th 2009, has the Applicant, or any agent, officer, director or employee of the Applicant solicited a contribution to any municipal officer or candidate for municipal office in the Requesting Municipal entity, or to the political party or political action committee of that official or candidate?	IF "YES", identify the agent, officer, director or employee who made the solicitation and the municipal officials, candidates, political party or political committee who were solicited (to whom the solicitation was made).		CC

# DISCLOSURE QUESTIONS (CONTINUED)

DISCLOSURE QUESTIONS (CONTINUED)		RESPONSES	
Questions	If your answer is "Yes" or "Applies" -- Please provide this information as instructed above	Initial Here for: "Yes" or "Applies"	Initial Here for: "No" or "Does not Apply"
<b>Q7. In the past 2 years:</b> Has the <i>Applicant</i> or an <i>Affiliated Entity</i> made any contributions to a municipal official or any candidate for municipal office in the <b>Requesting Municipal entity</b> ?	<b>IF "YES"</b> , provide the name and address of the person(s) making the contribution, the contributor's relationship to the Applicant, the name and office or position of the person receiving the contribution, the date of the contribution, and the amount of the contribution.		CC
<b>Q8.</b> Does the <i>Applicant</i> or an <i>Affiliated Entity</i> have any direct financial, commercial or business relationship with any official identified on the <i>List of Municipal Officials</i> , of the <b>Requesting Municipal entity</b> ?	<b>IF "YES"</b> , identify the individual with whom the relationship exists and give a detailed description of that relationship.		CC
<b>Q9. Since December 17<sup>th</sup> 2009:</b> Has the <i>Applicant</i> or an <i>Affiliated Entity</i> given any gifts having more than a nominal value to any official, employee or fiduciary – specifically, those on the <i>List of Municipal Officials</i> of the <b>Requesting Municipal entity</b> ?	<b>IF "YES"</b> , Provide the name of the person conferring the gift, the person receiving the gift, the office or position of the person receiving the gift, specify what the gift was, and the date conferred.		CC
<b>Q10.</b> Disclosure of contributions to any political entity in the Commonwealth of Pennsylvania. <b>Applicability:</b> A "yes" response <u>is required</u> and full disclosure is required <u>ONLY WHEN ALL</u> of the following applies: (1) The contribution was made within the last 5 years (2) The contribution was made by an officer, director, executive-level employee or owner of at least 5% of the <i>Applicant</i> or <i>Affiliated Entity</i> (3) The amount of the contribution was at least \$500 and in the form of: A single contribution by a person in (2) above OR, the aggregate of all contributions by all persons in (2) above; (4) The contribution was made to: A candidate for any public office in the Commonwealth or any person who holds that office <u>OR</u> ; A political committee of a candidate for public office in the Commonwealth or of an individual that holds that office.	<b>IF "YES"</b> , provide the name and address of the person(s) making the contribution, the contributor's relationship to the <i>Applicant</i> , The name and office or position of the person receiving the contribution (or the political entity / party receiving the contribution), the date of the contribution, and the amount of the contribution.		CC
<b>Q11.</b> With respect to your provision of professional services to the Municipal Pension System of the <b>Requesting Municipal entity</b> : Are you aware of any apparent, potential or actual conflicts of interest with respect to any officer, director or employee of the <i>Applicant</i> (includes: subcontractors, advisors, or any <i>Affiliated Entity</i> of or for the Applicant), and any of the officials or employees of the <b>Requesting Municipality</b> ?	<b>IF "YES"</b> , Provide a detailed explanation of the circumstances which provide you with a basis to conclude that an apparent, potential, or actual conflict of interest may exist.		CC
<b>Q12. Former Employment</b> – to your knowledge, is anyone now employed by <u>your firm</u> that was employed by the <b>Requesting Municipal entity</b> within the past one year – <b>OR</b> – is there anyone listed in the <i>List of Municipal Officials</i> above that was a formerly employed by <u>your firm</u> within the past one year?	<b>IF "YES"</b> , provide the name and of the person employed, their position with the municipality, and dates of employment.  <b>Note:</b> Pursuant to Act 44, 2009, Section 702-A Subparagraph (e) "Conflict of Interest": A <u>one year restriction</u> is imposed, without exception, on either circumstance of this question.		CC

## APPLICANT VERIFICATION

I, Christopher Cap, hereby state that I am the PSAB Executive Director / MRT Treasurer for  
(Name) (Position)

PSAB – Municipal Retirement Trust and I am authorized to make this verification.  
(Contractor/Company Name)

I hereby verify that the facts set forth in the foregoing Act 44 Disclosure Form for RFP Applicants seeking to provide Professional Services to the **Exeter Borough's Pension System** is true and correct to the best of my knowledge, information, and belief. I also understand that knowingly making material misstatements or omissions in this form could subject the responding *Applicant* to the penalties in Section 705-A (e) of Act 44.

I understand that false statements herein are made subject to the penalties of 18 P.A.C.S. § 4904 relating to unsworn falsification to authorities.

Chris Cap  
Signature

6/28/2021  
Date

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# **Act 44 Standard Disclosure**

## **2021 Addendum – Required Disclosure Form Statements**

### **Reference Question #1 – List of MRT Personnel**

**PSAB Municipal Retirement Trust (MRT) – State Association and Pension Operations Contractor**

**The Municipal Retirement Trust is wholly owned and operated by the PSAB and is the primary contractor.** The MRT employs several sub-contracted firms to provide specific and unique services to the Trust. The principal PSAB-MRT team members are listed first, followed by those of each sub-contractor.

#### **Contractor Team Listing**

***PSAB Municipal Retirement Trust (MRT)***

***The PA State Association of Boroughs and Principal Pension Operations Contractor***

Chris Cap, PSAB Executive Director – Serves as MRT Treasurer/Secretary

Linda Costa, Chief Operations Officer – Inside/Outside pension services and CAO

Joseph Scott, Chief Field Operations Officer – Inside/Outside pension service liaison

#### **Sub-Contractor and Advising Team Listing**

***Administrative, Accounting, Custodial, and Actuarial Companies***

**Thomas J. Anderson & Associates – Trust Administrator**

James Kennedy, President – Manages Act 205 administrative compliance efforts.

**Brown, Schultz, Sheridan & Fritz – Trust Auditor**

John W. Bonawitz, Jr., Principal – Supervises annual audit functions for the Trust.

**Hamilton & Musser – Accounting Sub-contractor**

Robert Mast, Shareholder – Manages account reporting, tax filings and fund disbursements.

**Fulton Bank – Fund Depository**

Tammy Snyder, VP of Corporate Development – Manages checking and disbursement accounts.

**Morgan Stanley /Greystone Consulting – Investment Advisors /Market Monitor**

H. Jeffrey Herb, Senior Vice President, Investments – Serves as investment Advisor of MRT.

Thomas J. Schatzman, CIMA, Senior Vice President, Investments – Serves as investment Advisor of MRT.

**Mette Evans & Woodside – Law firm providing legal counsel**

Mary Alice Busby, Shareholder – Serves as the MRT Solicitor.

***Investment Management – Style-Specific Companies***

**Robeco/Boston Partners - Large Cap Value Manager**

Mark Donovan, CFA, Co-CEO – Portfolio Manager

Kerry Ann James – Head of Institutional Distribution



**ISHARES RUSSELL 1000 VALUE ETF - Large Cap Value Manager**

Greg Savage - Portfolio Manager

**Vanguard S&P 500 Index - Large Cap Core Manager**

Donald M. Butler – Portfolio Manager

**Winslow Capital Management – Large Cap Growth Manager**

Justin H. Kelly, CFA, CIO - Portfolio Manager

Megan Anderson, President - Managing Director, Client Service

**ISHARES RUSSELL 1000 GRW ETF – Large Cap Growth Manager**

Greg Savage - Portfolio Manager

**Wedge Capital Management – Mid-Cap, Core Bond Manager and Short Term Fixed**

Bradley W. Horstmann, CFA, General Partner- Chief Compliance Officer

John G. Norman, Executive Vice President – Portfolio Manager - Equity

**Ancora/Thelen Advisors - Small Mid Cap Manager**

Dan Theleni, CFA – Portfolio Manager

Frederick DiSanto- Chairman & Chief Executive Officer

**Great Lakes Advisors - Small Mid Cap Manager**

Jon Quigley, CIO - Portfolio Manager

Laurie Watson - Relationship Management

**Harding Loevner - International Fund Manager**

Ferrill Roll, CFA –Portfolio Manager

Kevin Ferguson - Manager, Institutional Business Developments

**Causeway Capital Management - International Fund Manager**

Sarah Ketterer - CEO/Portfolio Manager

Paul O'Grady - Head of National Accounts

**ISHARES MSCI EAFE ETF - International Fund Manager**

Diane Hsiung - Portfolio Manager

**Bentall Kennedy – Real Estate Manager**

Michael Keating, Senior Vice President – Portfolio Manager

Josh Samilow, Vice President - Business Development and Client Relations

**ISHARES RUSSELL MID CAP GROWTH – Small Mid Cap Manager**

Greg Savage – Portfolio Manager

**C.S. McKee L.P. – Fixed Income Manager**

Gregory M. Melvin, CFA – Executive Vice President and Chief Investment Officer – Portfolio Manager

Mark. R. Gensheimer - President

**Reference Question # 4 – List of current / former registered Federal or State lobbyists**

**Chris Cap**, State Registered Lobbyist (last renewed 1/1/2019). Position: PA State Association of Boroughs – PSAB Executive Director