DETAILED EVALUATION OF CONSULTANT'S PROPOSAL

Consultant's Name:

____

Points Table:
1 = Below Expectations
3 = Meets Expectations
5 = Exceeds Expectations

Organization

Did consultant a) present all requested materials, b) answer all questions? __________

Is institutional (tax-exempt funds) investment consulting the firm's only business? __________

Does 100% of the firm's total revenue come from investment consulting services? __________

Does the firm have any type of affiliation with money managers, banks, insurance companies or mutual funds? __________

Is the organization a subsidiary or affiliate of another firm? If so, do any of the affiliates provide any other retirement trust services such as investment management, actuarial work, etc.? __________

How many investment consulting clients has the firm: Gained in the last 2 years and why? Lost in the last 2 years and why? What was the approximate size, minimum & maximum, of the clients added or lost? __________

Has the consultant(s) or the firm been in any litigation of any type in the last 5 years? If yes, what was the result of the litigation? Have there been any SEC or NYSE sanctions? __________

How long has your firm been in existence? __________

Organization Total Points: __________

Investment Consulting Philosophy

How does the consultant's public fund clients' investment performance measure up? __________

Can consultant provide examples of how they have improved their clients' investment results? __________

Does consultant present a Mission Statement or corporate objectives? __________

What is consultant's philosophy on the use of alternatives? What alternatives? __________

What is your investment philosophy and how was it developed? Sector bets? Hedge funds? Private equity, if allowed? Alternative assets? Index funds? Institutional funds (only)? __________

Investment Consulting Philosophy Total Points: __________

Professional Staff Background

Was a separate bibliography, including education, formal pension training, professional memberships, and employment history (at least 15 years) presented? __________

How many clients does the individual who would be assigned to our fund presently serve? __________

What has been the turnover of individuals in your firm over the last 2 years? Why did individuals leave, if any? What position did they hold? How many individuals have joined your firm & in what positions? __________

Professional Staff Background Total Points: ___________

Development of Investment Policies and Objectives

Outline the steps you would take in developing a statement of investment policies and objectives. __________

Provide an outline of the issues and items that you address in a typical policy statement. __________

Please list the clients you performed policy and objectives work for in the last 12 months. __________

Please list the clients you performed an asset allocation study for in the last 12 months. __________

What steps do you take to review the client's IPS or asset allocation? How do you assess the client's tolerance for risk? __________

How often and when do you rebalance? __________

Development of Investment Policies and Objectives Total Points: ___________

Selection of investment Managers

How many searches did the individual consultant perform in the last 12 months? __________

How does a money manager get into your database? Is there a fee or any cost associated with a manager's entry into your database? __________

How many managers are currently on your list of "recommended managers"? How many different managers do your clients currently have money with? __________

Selection of Investment Managers Total Points: ___________

Performance Measurement and Evaluation

What clients has the proposed consultant provided performance measurement services to in the last 12 months? __________

Will the consultant evaluate the effectiveness of asset allocation? __________

Can the consultant monitor investment manager performance for adherence to style, risk/reward relationship, performance consistency, transaction efficiency? ___________

How does the consultant confirm the money manager's track record? ___________

Does the consultant charge managers for participation in their databases? ___________

Does the consultant have any financial relationship with the fund's managers? ___________

Performance Measurement and Evaluation Total Points: ___________

Other Services

Does the consultant discuss commission recapture income? ___________

Does the consultant discuss securities lending income? ___________

Does the consultant offer transaction cost monitoring? ___________

Other Services Total Points: ___________

General

Does the firm/consultant agree to act as a fiduciary to the plan? ___________

Is the firm a Registered Investment Adviser with the U.S. Securities and Exchange Commission? ___________

Does the firm have professional liability insurance? If so, what is the coverage, limit and deductible? ___________

Does the firm have adequate property/casualty insurance, including non-owned vehicle coverage? ___________

Does the consultant have a conflict of interest statement? ___________

General Total Points: ___________

Proposed Fees

Does the consultant offer a choice of individual project and retainer service fees? ___________

Does the consultant offer a fixed fee for the services requested? ___________

Is the consultant willing to be paid with hard-dollars, versus directed-brokerage or commissions? ___________

Does the consultant charge the fund for out-of-pocket expenses that would be billed separately from proposed fees? ___________

Are consultant's fees negotiable? ___________

How is the consultant compensated? Why fixed fee vs. percentage, or vice versa? __________

Proposed Fees Total Points: ___________

Open Questions

What makes your group or firm unique as distinguished from other investment consultants? __________

Why should we chose you as our investment consultant? __________

What changes (if any) would you propose for the first 90 days if you became the Investment consultant for Birmingham's retirement plans? __________

Describe your overall strategy for Birmingham's retirement plans. In other words, what north star would guide you when proposing changes to the plans? __________

What type of back office support do you have (and their qualifications) in the event that we need to reach someone and you are unavailable? __________

Why do you believe that you are a good fit to become the investment consultant overseeing Birmingham's retirement plans? __________

Is our portfolio a big fish in a small pond or a small fish in a big pond? __________

Open Questions Total Points: ____________

GRAND TOTAL: ___________

UBS & Morgan Stanley:

Within your brokerage firms there are groups like yours that consult with pension plans. How does your group differ, how was your group vs. others selected to bid on our plan and why? __________