



San Bernardino County Employees'
Retirement Association

SAN BERNARDINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

REQUEST FOR PROPOSAL (RFP)

FOR

INVESTMENT CONSULTING SERVICES

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San Bernardino County Employees'
Retirement Association

Request for Proposals for Investment Consulting Services

Key Dates and Other Information

| | |
|---------------------------------------|---|
| Release Date: | March 1, 2021 |
| Questions Due: | March 16, 2021 by 4:00 p.m. PDT |
| Responses to Questions Posted: | March 23, 2021 by 4:00 p.m. PDT |
| RFP Responses Due: | April 16, 2021 by 4:00 p.m. PDT Via email only to InvestmentsRFP@sbcera.org |

RFP Administrator:

Investment Department – Donald Pierce, Chief Investment Officer
San Bernardino Employees' Retirement Association
348 W. Hospitality Lane, Suite 100
San Bernardino, CA 92408
InvestmentsRFP@sbcera.org

Do not contact any staff member or trustee directly.

Respondents are encouraged to communicate any questions regarding this RFP by the deadline stated above. Questions should be sent in writing via email only to the RFP Administrator. The deadline for submission of questions is on Tuesday, March 16, 2021 by 4:00 p.m. (Pacific Time). Questions from all firms and SBCERA answers in response to those questions will be posted to the SBCERA website www.SBCERA.org/RFP by 4:00 p.m. on Tuesday, March 23, 2021.

SBCERA staff in reviewing proposals may contact Proposers for clarification or further information in order to facilitate a complete review of the submitted proposal.

I. Introduction

The San Bernardino County Employees' Retirement Association (SBCERA or the Plan) requests proposals from qualified professional investment consulting firms to provide comprehensive pension fund investment consulting advice and services on a full service retainer basis. Comprehensive investment consulting advice includes both general investment consulting and consulting on alternative assets. Alternative assets for purposes of this proposal includes Private Equity, Private Credit, Real Estate, Real Assets and Absolute Return Funds/Hedge Funds. The investment consulting firm must be able to advise on all aspects of the SBCERA portfolio.

II. Background

SBCERA was established in 1945 under the provisions of the County Employees Retirement Law of 1937 ('37 Act or CERL). It is a cost-sharing, multiple-employer defined benefit public pension plan that operates under CERL, the California Public Employees' Pension Reform Act of 2013 (PEPRA)(California Government Code Section 7522, et seq.), and other applicable law. SBCERA administers service retirement, disability retirement, and death benefits on behalf of nearly 42,000 members and beneficiaries. SBCERA serves 17 employers throughout California. Oversight of SBCERA is through an independent Board of Retirement (Board), which serves as the fiduciary charged with policy oversight of the administration and investment of the Plan. The Board consists of nine members and three alternate members. The Chief Executive Officer and senior staff administer day-to-day management of the Plan. Internal and external legal counsel advises SBCERA.

The SBCERA investment portfolio, approximately \$12.0 billion in assets, is diversified globally and across all asset classes. The Plan invests in both fund and direct investments through external investment managers. With several of its largest and/or strategic manager relationships, SBCERA uses a master account structure in which a single investment contract governs multiple underlying investments across the manager's investment platform. The Plan uses an overlay manager to implement its Informed Rebalancing program. The Board has delegated to its Chief Investment Officer (CIO) the responsibility to manage the investment program subject to Board-approved policies.

Further information about SBCERA is available from its website at www.sbcera.org.

III. Timeline

Key dates for this solicitation are:

| | |
|----------------|--|
| March 1, 2021 | Release RFP |
| March 16, 2021 | Deadline to submit questions by 4:00 p.m. PDT. Please submit all questions by email to investmentsRFP@sbccera.org . Questions from all firms and SBCERA answers in response to those questions will be posted on the SBCERA website www.SBCERA.org/RFP , as per the solicitation timeline. |
| March 23, 2021 | Submitted questions and SBCERA answers in response will be posted on the SBCERA website. |
| April 16, 2021 | RFP response due via email to: Investment Department InvestmentsRFP@sbccera.org |
| July 13, 2021 | Investment Committee Meeting |
| August 5, 2021 | SBCERA Board Meeting to Approve Contracts, if needed. |

IV. Services Provided

The scope of work covers general and alternatives consulting to SBCERA by providing advice and expertise with respect to the entire SBCERA portfolio for a period of up to seven (7) years. The selected investment consulting firm will report to the Board, though staff. The firm will serve in a fiduciary capacity and will acknowledge in writing the firm's fiduciary status, without qualification. In all cases, the firm and its consultants will offer advice to SBCERA solely in the interest of the plan participants and the beneficiaries of SBCERA.

The investment consultant shall perform its duties in accordance with the Plan's investment guidelines. The proposer must be able to provide all of the services listed below unless otherwise indicated.

Policy Duties:

- Advise on the development, implementation and/or revision of investment policies and guidelines.
- Provide monitoring.

Asset Allocation and Portfolio Duties:

- Provide annual asset allocation reviews and recommendations.
- Advise on portfolio structure.

Investment Manager Oversight and Duties:

- Analyze and advise on the capabilities of investment managers.
- Assist in manager searches, selections, and terminations.
- Advise on existing and prospective alternative investments, such as private credit, private equity, structured credit, commodities, timber, overlay strategies, hedge funds etc.
- Participate in due diligence of existing and prospective investment managers.
- Provide ongoing monitoring of institutional investment managers.

Performance Measurement Duties:

- Periodically review the performance of existing investment managers.
- Prepare and present quarterly performance reports with analysis by total fund, asset class, and manager level.
- Evaluate total portfolio investment performance to policy benchmark.
- Evaluate investment manager performance to policy benchmarks and appropriate peer groups.
- Provide review of portfolio risk.
- Provide access to analytical software, if any.

Training, Education, and Client Service Duties:

- Regularly participate in weekly meetings with the investment staff.
- Regularly attend Board and Investment Committee Meetings, and any other meetings as necessary.
- Participate in ad hoc workshops on specific issues designated by the Board or Staff.
- Provide research and reports on various investment topics.
- Provide educational presentations to the Board or Staff as requested, and at the annual SBCERA Investment Forum.
- Communicate regularly with staff about workflow and any other operational issues between meetings.
- Work cooperatively with the Plan's actuarial consultant to provide periodic asset/liability studies as requested.
- Work cooperatively with the Plan's operational due diligence consultant.
- Work cooperatively with the Plan's custodian bank.

V. Minimum Qualifications

SBCERA will accept proposals from firms that meet the minimum qualifications listed below.

1. The investment consulting firm must be a registered advisor under the Investment Company Act of 1940.
2. The consulting firm must have been in existence for the past seven (7) years.
3. The consulting firm has at least three (3) existing U.S. based, public pension clients, each having at least \$5 billion in current assets.
4. The consulting firm has not been the subject of material litigation or claims or censured by the Securities and Exchange Commission (SEC) or subject to regulatory action within the last seven (7) years.
5. The proposed lead consultant assigned to SBCERA must have at least ten (10) years of consulting experience in the public defined benefit pension fund area.
6. Proof of Professional Liability Insurance of at least \$10 million per occurrence and/or aggregate claims.
7. All minimum qualifications must be met by December 31, 2020.

VI. Ethics in Public Contracting

By responding to this RFP, Proposers certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other proposer, supplier, manufacturer or subcontractor in connection with their proposal.

Proposers attest that they have not conferred upon any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of value in exchange for procuring this contract.

Further, Proposers agree that they have not in any material and substantive way interacted regarding this procurement, at any time including prior to this RFP's release, with any official having responsibility for it (including without limitation any member of SBCERA's legal or investment staff, executive management, or Board) except in the manner and at the times prescribed herein.

VII. Submission of Proposals

Proposals must be submitted electronically to the RFP Administrator, InvestmentsRFP@sbccera.org by the due date stated above in the Key Dates and Other Information section. Please include 'RFP Investment Consulting 2021' in the e-mail subject line.

- A. After reviewing all qualifying proposals, SBCERA staff will invite those Proposers it deems most qualified to participate in an interview (either in person or by videoconference) on mutually agreeable dates. Finalist(s) proposer(s) will be invited to present their capabilities to the Board.
- B. To facilitate SBCERA's review and evaluation of the responses received. A response to this RFP must include all pages numbered, submitted in 8½" x 11" page format and the following sections in the order listed:
 1. Cover Letter
 2. Table of Contents
 3. Executive Summary
 4. Questionnaire
 5. Fee Schedule
 6. References

1. Cover Letter

A cover letter on the Proposer's official business letterhead, which shall be considered an integral part of the proposal package, shall be signed by the individual(s) who is (are) authorized to bind the Proposer contractually. This cover letter must include the title or position the signatory holds in the proposing business. An unsigned proposal may be rejected. The letter must identify all materials and enclosures being forwarded collectively as a response to this RFP. The letter shall also contain the following:

- A. A representation that the attached proposal is complete as submitted, and warrant that the Proposer has met all of the minimum qualifications specified in Section IV.
- B. The Proposer's name, address and telephone number.
- C. A statement to the effect that the proposal is a firm and irrevocable offer good for 240 days from the proposal due date.
- D. A statement describing the services proposed and expressing the Proposer's willingness and ability to perform the services as described in this RFP.
- E. The name, title, and telephone number of the Proposer's primary representative and contact person regarding the RFP and any resultant contract.
- F. The Proposer's Federal Employer Identification Number.
- G. A statement that the Proposer is not currently under investigation by any regulatory agency, state or federal, for any reason, and has not, within the seven years immediately preceding submission of the proposal, been found to have violated any law or regulation related to the conduct of its business by any court of law, regulatory body, or professional oversight body.
- H. Certification of non-discriminatory practices in the Proposer's services.
- I. Identification of any sections of the proposal that the Proposer wishes to designate as confidential. Proposers should note that SBCERA is a public agency, and that submitted proposals will become public documents when an award is scheduled for final approval by the Board. Legitimate designations of trade secrets or otherwise non-public information will be honored, and material will be redacted as appropriate from any public release of information if, in the reasonable opinion of SBCERA, such designations are in compliance with applicable law, including but not limited to the California Public Records Act and the Ralph M. Brown Act. Attempts to designate an entire proposal as confidential are not valid and will NOT be honored.
- J. A statement certifying that the quoted prices are genuine and not the result of collusion or any other activity which would tend to directly or indirectly influence the process, and the proposal is being made without fraud or collusion; that the Proposer has not offered or received any finder's fees, inducements or any other form of remuneration, monetary or non-monetary, from any individual or entity related to the RFP.
- K. A statement certifying that the Proposer has no real or potential conflicts of interest that would prevent the Proposer from acting in the best interests of SBCERA.
- L. A statement that discloses the nature of any personal or business relationships (including any negotiations for prospective business) that the Proposer or any of its employees, partners, or agents now have, or have had in the past five years, with the any SBCERA Retirement Board member or SBCERA staff.

- M. A statement acknowledging and agreeing to be a fiduciary to SBCERA with the same prudence as imposed upon SBCERA pursuant to Section 31595 of the 1937 Act in the performance of all services rendered pursuant to any contract resulting from this RFP process.

2. Table of Contents

The proposal must contain a table of contents showing the proper order using a numeric format.

3. Executive Summary

The primary objective of the executive summary is to provide an overview of the key points in the proposal. It should be brief and concise, not to exceed three pages.

4. Questionnaire

Proposer shall complete the Questionnaire (Section VIII below). Completeness, clarity and brevity are stressed in the RFP response. The Proposer should address the items in the RFP in the order that they are presented in the RFP. Preface each response with the question number and text of the question its entirety before stating the answer.

5. Fee Schedule

Describe in detail the total retainer fee itemized by general consulting and alternative asset consulting if your firm were engaged to serve as SBCERA's investment consultant.

The proposed fee shall include all costs for providing services to SBCERA as described in this RFP and shall be guaranteed for seven years. The Proposal may propose escalation of fees throughout the initial seven-year term. Once the service provider(s) is/are selected, the fees may be further refined depending on factors which may affect the proposed fee(s). In no case will the final fee(s) be higher than the fee(s) contained in the proposal.

6. References

Provide a list of client relationships where services described in this RFP have been or are being provided. Provide the name, address and telephone number for at least three client references that SBCERA may contact. At least two of these references must have worked specifically with the team members who are expected to work with SBCERA.

List any pension plan clients that have terminated their relationship with Proposer in the last five years. Include the client's name, size, date of contract termination, and reason(s) for contract termination.

7. Additional Information

Any additional comments or information may be provided as an Appendix.

VIII. Official RFP Notices/ Addenda

To ensure that no firm is provided an advantage over another, all requirements are specified in this Request for Proposals (RFP). Any changes to the requirements will be posted as an addendum to the RFP on the SBCERA website. Firms are solely responsible for monitoring the website for and adhering to any RFP addenda. SBCERA reserves the right to withdraw this RFP at any time without prior notice and to reject any and all responses to this RFP. The rejection of any or all RFP shall not render SBCERA liable for costs or damages.

IX. Applicable Law

This solicitation and any resulting contract shall be governed, in all respects, by the laws of the State of California, and any litigation with respect thereto shall be brought in the Superior Court of San Bernardino County, California, and shall not be brought in, nor subject to removal to, any other court. The Proposer shall comply with all applicable federal, state and local laws, rules and regulations.

All Proposers must acknowledge and agree to be a fiduciary to SBCERA with the same prudence as imposed upon SBCERA pursuant to Section 31595 of the 1937 Act in the performance of all services rendered pursuant to any contract resulting from this RFP process.

X. Questionnaire

Proposers interested in responding to this RFP must submit the following information, in the order specified below:

A. Background and Organization

1. The name, address, telephone number, and email address of the person authorized to represent the Proposer with respect to all notices, negotiations, discussions, and other communications relating to this RFP, and to any further selection process.
2. An overall description of Proposer's firm or company, including its history, organization structure, legal structure, ownership, financial condition, and the total number of employees. If any significant changes are anticipated, please describe.
3. Information about the number of years that Proposer has been handling the type of work described in this RFP (Section III). Give specific details with regard to the nature of services provided, with special attention to public sector experience.
4. Has your firm been subject or is currently being reviewed/ audited by the SEC or other regulatory agencies. If yes, please describe the nature of the investigation.
5. Over the last five (5) years has the firm, the Primary Consultant, or another principal or officer of the firm been involved in any business litigation, regulatory, or other legal proceedings or government investigation involving allegations of fraud, negligence, criminal activity or breach of fiduciary duty? If so, please describe.
6. Please discuss the overall business objectives of your firm with respect to future growth. Comment on any present or planned areas of emphasis over the near future. Be sure to include in your response:
 - a. Total assets or client relationships that will be accepted.
 - b. Maximum limits on asset amounts or number of clients per consultant.
 - c. Plans to develop and expand resources, merge or acquire other firms, spin off subsidiaries.

B. Staff

7. Identify Proposer's staffing model for the services described in this RFP (Section III). Identify any outsourced services provided to SBCERA.
8. Identify the key personnel who will be directly assigned to provide services under the RFP. Please specify their role within the Proposer's organization, their responsibilities for handling this relationship, their experience, qualifications, any specialized expertise, including the number of years providing the services

described in the RFP (Section III), and the number of years the consulting professionals have worked together as a team.

9. Include brief resumes. Identify whether any consultant or analyst intended to provide services to SBCERA has ever been disciplined or censured by any regulatory body or court. If so, provide the relevant facts.
10. Briefly described the firm's compensation system for principal staff, and indicate what specific incentives are utilized to ensure key professionals do not leave the firm either as a group or individually. How does the firm tie client performance and satisfaction to a consultant's performance?

C. Qualifications

11. Describe the Proposer's experience and qualifications to provide the work described in this RFP (Section III), including recent instances in which Proposer has provided similar services to public pension plans of a fund size comparable to or larger than SBCERA. With respect to those engagements, please describe Proposer's role in performing the work, the name of the client(s), and number of years serving the client(s).
12. In several manager relationships SBCERA uses a master account structure in which a single investment agreement ("Master Custody Account" or "MCA" agreement) governs all of SBCERA's investments, including underlying fund and direct investments, with that manager across the manager's investment platform. The MCA agreement typically includes investment guidelines at the umbrella level, manager investment authority, investment procedures, economic terms, reporting and compliance obligations, and similar provisions. Please describe your experience consulting to clients with this type of arrangement, your understanding of the potential benefits, and any potential challenges you anticipate.
13. Describe how Proposer and its services meet the comprehensive investment consulting needs of SBCERA.

D. Assets Advised

14. Complete the following table by providing the number of clients, assets under advisement for the firm's full-service retainer investment consulting relationships and the number of clients that have renewed their contract with your firm over each of the last three (3) years. Please provide the data as of December 31st for all years.

| | 2020 | 2019 | 2018 |
|-------------------------------------|------|------|------|
| Number of Clients | | | |
| Assets under Advisement | | | |
| Number of Clients to Renew Contract | | | |

15. Please list all clients the firm has gained in the last three (3) years and the clients who have terminated your services during that time. For those who have terminated your service, please indicate the reason for terminating.

E. Investment Consulting Philosophy and Process

16. Briefly describe the firm's philosophy with respect to investment consulting mandates, and the nature of the service that is provided.
17. How frequently does the firm recommend reviewing asset allocation reviews, and describe the firm's methodology. Please a sample of an Asset Allocation Review.

18. What is the range of target allocations, which you are currently recommending to your public fund clients?
19. What level of liquidity do you recommend for a public pension plan?
20. How does the firm assess risk in client's portfolios and what new methodologies are being considered? What are the appropriate metrics to review?
21. In your view, how should a client measure its investment consulting firm's performance? How does the firm measure its own performance?

F. Manager Measurement and Evaluation

22. How does the firm monitor and analyze investment performance? Please describe any databases used by the firm. How do you determine appropriate benchmarks? What is the anticipated turnaround time to produce a performance report? Can the performance reports be customized? Please provide a sample performance report.
23. Describe how the firm obtains data from the client's Custodian. How does the firm verify the accuracy of the data received from the Custodian?
24. What is the firm's process for return reconciliation? How will discrepancies be handled?

G. Manager Searches and Evaluation

25. Describe the process how new investment managers are added into the firm's database. What is the ongoing process of researching investment managers? What is the manager rating system applied?
26. Please provide a list of strategies that have been assessed by research to show the breadth of the manager review capabilities
27. Please provide a sample of investment manager research or due diligence reports.

H. Miscellaneous

28. Do you anticipate any potential conflicts of interest issues for your firm in representing SBCERA? If so, please describe them and how you propose to resolve them. If your firm provides investment management services, please list and describe those services and describe how you would mitigate those potential conflicts as related to SBCERA.
29. Please describe your approach to managing client relationships and resource allocation in response to client demands.
30. Provide the limits of Proposer's insurance coverage, including insurance carriers. Identify whether the coverage is on a per client basis, or whether the dollar figure is applied to the firm as a whole. Identify all deductibles or self-insured retentions.
31. Discuss any additional information that Proposer would like SBCERA to know about Proposer that may impact consideration of Proposer as a potential service provider to SBCERA.

XI. Investment Consulting Agreement

The Proposer shall be bound by the information and representations contained in any proposal submitted. Said proposal is deemed to be a binding offer on the part of the Proposer. Please note that the final negotiated

contract with the winning responder will incorporate the terms of this RFP, the terms of the attached draft contract, and the winning Proposal without deviation. A contract shall not be assignable in whole or in part.

It is anticipated that the initial contract shall be for a five (5) year period commencing January 1, 2022 through January 1, 2027. Thereafter the contract may be extended at the option of the Board for an additional two (2) year contract period through January 1, 2029. The Board reserves the right to terminate the contract upon thirty (30) days' notice, with or without cause.

XII. Overall Scoring Criteria

Proposal will be scored based upon:

- Quality of Proposal
- Quality and Relevance of Firm Experience
- Quality and Experience of Personnel Assigned
- Proposed Scope of Services and Service Delivery Model
- Value of Fee Proposal (The evaluation of the relative cost and value for each firm based upon its submission of the proposed fee schedule. This evaluation will also consider cost on a qualitative basis, not necessary solely on a quantitative basis.)

XIII. Recommendation

A recommendation will be made based on the RFP responses to the SBCERA Investment Committee at its July 13, 2021 meeting. If necessary, the staff and the Investment Committee' recommendation will be advanced to the full SBCERA Board at its August 5, 2021 meeting.

XIV. Notice to Proposers regarding the California Publics Records Act

The California Public Records Act, Government Code Sections 6250, et seq., provides that access to information concerning the conduct of the people's business is a fundamental and necessary right of every person in the state. Public records are defined as any writing relating to the conduct of the public's business and are open to inspection during normal business hours.

Responses to this RFP become the exclusive property of SBCERA. At such time as the evaluation committee recommends a proposer to the Board, and such recommendation appears on a public agenda, all proposals submitted shall be regarded as public records, subject to disclosure upon request. Exceptions will be those elements in each proposal, which are defined by law as business or trade secrets and otherwise exempt from disclosure under the Public Records Act, and are so reasonably and conspicuously marked as "TRADE SECRETS", "CONFIDENTIAL", or "PROPRIETARY" in red ink within the proposal. SBCERA shall not in any way be liable or responsible for the disclosure of any such records including, without limitations, those so marked, if disclosure is deemed to be required by law or by an order of a court of competent jurisdiction. The proposer shall indemnify SBCERA for any and all attorney's fees awarded against SBCERA based on SBCERA's refusal to disclose those elements of the proposal marked by the proposer with a restrictive legend. Proposers shall not mark their entire proposal as confidential. Such an attempted designation is not valid and will not be honored, and will instead result in the entire proposal being treated as a non-confidential public record.

Submission by a vendor constitutes a complete waive of any claims whatsoever against SBCERA, and/or its agents, officers, or employees, that SBCERA has violated a vendor's right to privacy, disclosed trade secrets, or caused any damage by allowing the proposal to be inspected.

Exhibit A: Sample Agreement for Investment Consulting Services

[TEMPLATE]

INVESTMENT CONSULTANT AGREEMENT

BETWEEN

SAN BERNARDINO COUNTY EMPLOYEES RETIREMENT ASSOCIATION

AND

[_____]

INVESTMENT CONSULTANT AGREEMENT

This Agreement is made and entered into as of _____ (“Effective Date”), in San Bernardino, California, by and between the SAN BERNARDINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (hereinafter referred to as "SBCERA") and _____ (hereinafter referred to as "CONSULTANT").

WHEREAS, the SBCERA was created pursuant to the County Employees Retirement Law of 1937 (hereinafter referred to as the "'37 Act") and is administered by the Board of Retirement (hereinafter referred to as the "Board");

WHEREAS, pursuant to Government Code Section 31595 (“Section 31595”), the Board, "may in its discretion, invest, or delegate the authority to invest, the assets of the fund through the purchase, holding or sale of any form or type of investment with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims;

WHEREAS, CONSULTANT represents that it is qualified to be a "fiduciary" as that term is defined in Section 3(21) of the Employees Retirement Income Security Act of 1974, as amended (hereinafter referred to as "ERISA") and that it is an investment advisor registered under the Investment Advisors Act of 1940, as amended (hereinafter referred to as the "'40 Act");

WHEREAS, CONSULTANT represents, and has held itself out to the Board as, experienced in its role as an investment consultant under this Agreement, and has undertaken to provide the services contemplated by this Agreement as a fiduciary of the SBCERA;

WHEREAS, the Board has determined that it would be in the best interest of the SBCERA if CONSULTANT were to be retained to provide the investment consulting services regarding the SBCERA trust fund (“Fund”) as set forth herein below and, accordingly, has voted to approve this Agreement;

WHEREAS, CONSULTANT represents and warrants that it is willing and capable of performing all of the investment consulting services as described in this Agreement;

WHEREAS, CONSULTANT acknowledges and agrees that SBCERA is a

governmental employee benefits plan situated and administered in the County of San Bernardino, California;

WHEREAS, SBCERA hereby retains CONSULTANT to perform the investment consulting services on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the covenants and conditions in this Agreement and the good valuable consideration as provided herein, the parties hereto incorporate by reference into the terms of this Agreement the recitals listed above and further agree as follows:

ARTICLE 1

DESCRIPTION OF INVESTMENT CONSULTING SERVICES

1.1 Delegation and Acceptance of Duties. The Board hereby delegates to CONSULTANT the duties and CONSULTANT hereby accepts and assumes responsibility to provide the investment consulting services described in Exhibit "A" (hereinafter the "Consultant Services") consistent with the terms of this Agreement, and the '37 Act and all other applicable laws. The BOARD shall retain all decision making authority and that the CONSULTANT will have no discretionary authority over any assets, nor will CONSULTANT have the care or custody of any plan assets. CONSULTANT acknowledges and agrees that the BOARD shall rely on the advice of the CONSULTANT in exercising its discretionary authority over plan assets.

1.2 Fiduciary Standard CONSULTANT acknowledges and agrees that it is a "fiduciary" under California law, including Article XVI, Section 17 of the California Constitution and Section 31595. CONSULTANT warrants and agrees that all of its actions taken in connection with this Agreement shall be made with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims. CONSULTANT shall act consistent with its duty of loyalty to SBCERA and the Board in performing its obligations under the Agreement and shall cause any and all of its affiliates, employees, directors, agents, and sub-advisors who provide services under this Agreement to exercise the same Fiduciary

Standard (defined below) for the benefit of SBCERA and its members and beneficiaries. CONSULTANT further acknowledges and agrees that it is a “fiduciary” under the Advisers Act, and agrees that it shall carry out its fiduciary duties in accordance with the fiduciary standards applicable to investment advisers registered with the Securities and Exchange Commission pursuant to the Advisers Act. CONSULTANT’s fiduciary duty shall include timely disclosure of any and all potential conflicts of interest that may exist with respect to any recommendation or advice the CONSULTANT provides to SBCERA. CONSULTANT represents that it has previously disclosed to the Board any potential conflicts that may have existed prior to entering into this agreement. The duties and obligations set forth in this paragraph are referred to as the “Fiduciary Standard” in this Agreement. CONSULTANT shall be liable to SBCERA for any Claim (defined below) which arises from or relates to any failure by CONSULTANT or its agents to exercise the Fiduciary Standard. CONSULTANT acknowledges that its retention is not exclusive and that the SBCERA has the right, in its discretion, to contract for similar consulting services from one or more other consultants. The performance of any other services by CONSULTANT to SBCERA will, unless authorized in a writing approved by the Board and specifying separate compensation or reimbursement, will be deemed to be a gratuity to the SBCERA and will not give rise to any obligation by the SBCERA to make any payment to CONSULTANT or any other person.

1.3 Compliance with Investment Plan. Attached as Exhibit "B" hereto are SBCERA's current Investment Plan, Policy and Guidelines, which as amended from time to time and provided to CONSULTANT, are referred to herein as the "Investment Plan." CONSULTANT will monitor and advise the SBCERA of such amendments to such Investment Plan as may be appropriate from time to time. However, unless and until an amendment is approved by the BOARD, CONSULTANT will perform its services in compliance with the Investment Plan and, after the adoption of any such amendment(s), in compliance with the Investment Plan as so amended.

1.4 Seminars and Training Programs. In the event CONSULTANT conducts seminars, training sessions or similar events which are generally made available to CONSULTANT's

customers, SBCERA shall be invited to attend upon the same conditions and terms as other customers. In the event CONSULTANT offers to pay the cost of such events and/or the travel or lodging expenses incurred by its customers in connection with attending such events, CONSULTANT will reimburse the SBCERA, but not individual attendees, for such expenses on the same basis as CONSULTANT reimburses the expenses to its customers generally.

ARTICLE 2 CONTRACT RESPONSIBILITIES

2.1 SBCERA – REPRESENTATIVE RESPONSIBILITIES.

2.1.1 Representative. The SBCERA's representative for this Agreement will be:

Primary: Deborah S. Cherney
Chief Executive Officer
San Bernardino County Employees' Retirement Association
348 West Hospitality Lane, Suite 100
San Bernardino, CA 92408
(909) 885-7980
FAX (909) 885-7446

The SBCERA Chief Executive Officer, or designee, will be the SBCERA's representative with respect to the administration of this Agreement ("SBCERA Officer") and CONSULTANT will, on a regular basis, interface with and report to the SBCERA Officer so as to keep such Officer fully apprised and up to date on the status of the consulting services being performed. The identity of the SBCERA Officer and the address at which the Officer is to receive notices may change from time to time by written notice to CONSULTANT given pursuant to this Agreement. The SBCERA Officer may from time to time, delegate portions of his or her responsibility for the administration of this Agreement to other persons employed or retained by the SBCERA, and CONSULTANT agrees to cooperate with such persons in the performance of their duties.

2.1.2 Authority of the SBCERA Officer. The SBCERA Officer or designee for this Agreement will provide direction to CONSULTANT in the areas of policy, information requirements and procedural requirements. If actions specifically require the prior

approval or consent of the SBCERA under this Agreement, CONSULTANT may rely upon the written direction of the SBCERA Officer as binding on SBCERA except for those approvals or consents that expressly require the approval or consent of the Board. If CONSULTANT requests an interpretation of this Agreement and the SBCERA Officer elects to provide a written interpretation, then CONSULTANT may likewise rely on such written interpretation as binding upon SBCERA. CONSULTANT acknowledges, however, that the SBCERA is relying upon CONSULTANT's expertise with respect to the consulting services and will typically not be seeking second opinions concerning recommendations made by CONSULTANT. Accordingly, no review, approval or consent by the SBCERA Officer (or by any other employee, agent or representative of the SBCERA) of or with respect to CONSULTANT's recommendations and/or action will relieve CONSULTANT of its obligations under this Agreement and CONSULTANT will, under all circumstances, be ultimately responsible for ensuring that the objectives, terms, and conditions of this Agreement are met.

The SBCERA Officer is not authorized to make any changes in the terms and conditions of this Agreement, and, except as specifically provided above, is not authorized to obligate the SBCERA in any respect whatsoever beyond the terms of this Agreement. While the SBCERA Officer will attempt to be reasonably accessible to and to respond, where appropriate, with reasonable promptness to CONSULTANT's communications, CONSULTANT should schedule its affairs so as to allow the SBCERA Officer not less than fifteen (15) business days to review and consider any such communications.

2.1.3 Approval of Invoices by SBCERA Officer. CONSULTANT's invoice will only be subject to payment by SBCERA after approval by the SBCERA Officer. All invoices will be submitted with appropriate supporting documentation. Invoices will be submitted no more frequently than quarterly on a calendar basis and, where an invoice includes amounts in reimbursement of costs and expenses of CONSULTANT or amounts payable to third parties, such invoice will be forwarded within sixty (60) days of incurring such costs and expenses by CONSULTANT or receipt of an invoice from such third party. Submission of such invoice will constitute a certification by CONSULTANT that such amounts are due and owing and, in the case of any reimbursements that the materials or

services to which such reimbursement applies were duly received, and satisfactory in nature, and inured to the benefit of the SBCERA in a manner and to an extent commensurate with such reimbursement. If so submitted, the SBCERA Investment Officer will use his or her good faith best efforts to review such invoices and to approve or disapprove them for payment within thirty (30) days of receipt. Invoices approved for payment will be paid promptly and, in any event, within thirty (30) days of such approval. Nothing in this Subsection 2.1.3 is intended to in any way expand CONSULTANT's compensation and rights to reimbursement, if any beyond that set forth in Exhibit "C", hereto.

2.1.4 Authorized SBCERA Contacts. The SBCERA Investment Officer may furnish from time to time a list of designated persons who will be permitted to contact CONSULTANT on behalf of SBCERA. CONSULTANT agrees not to furnish any information, written or oral, to any person not specifically named on such list.

2.1.5 No Personal Liability. In no event will the SBCERA Investment Officer or any other person delegated responsibility for the administration of this Agreement have any personal liability to CONSULTANT or any of its officers, directors, partners, agents, employees, or contractors for any action taken or not taken by such individual while acting or purporting to act as the SBCERA Investment Officer or as his or her designee.

2.2 CONSULTANT – REPRESENTATIVE RESPONSIBILITIES.

2.2.1 Representative. The CONSULTANT's representatives for this Agreement will be:

Senior Consultant:
[Name]
[Consultant]
[Address]
[Telephone]
[Fax]

The CONSULTANT's representatives, are hereinafter referred to as "Senior Consultant," who CONSULTANT represents to be a full-time employee of the CONSULTANT and who

will be responsible for the CONSULTANT's day-to-day activities under this Agreement. The Senior Consultant shall designate a "Senior Alternate Consultant" with the written consent of the Board, who will act in place of the Senior Consultant as necessary. Senior Consultant will be the CONSULTANT's representatives with respect to the administration of this Agreement and CONSULTANT will, on a regular basis, interface with and report to the SBCERA representative so as to keep such representative fully apprised and up to date on the status of the consulting services being performed. CONSULTANT's Senior Consultant may only be replaced with prior written approval of the Board; provided, however, that in the event an individual is being replaced due to the termination of all of such person's affiliations with CONSULTANT, its affiliates and associates, then such approval will not be unreasonably withheld or delayed. CONSULTANT will promptly notify the SBCERA of any intention on its part to replace the Senior Consultant or the Senior Alternate Consultant, or any known intentions by either of them to terminate his or her relationship with the CONSULTANT, and of any request by Senior Consultant or Senior Alternate Consultant that he or she be replaced.

2.2.2 Authority of Senior Consultant. The Senior Consultant is fully authorized to act on behalf of and to receive communications on the part of CONSULTANT.

2.2.3 Consultant Personnel. Immediately upon request by the Board, CONSULTANT will replace any of CONSULTANT's personnel who are determined by the Board not to be effectively carrying out the responsibilities of this Agreement. Notwithstanding the above, CONSULTANT will at all times have complete responsibility and authority with respect to the supervision and direction of its personnel.

2.3 Selection of Agents. CONSULTANT may select agents or sub-advisors performing any services in connection with this Agreement with the prior written consent of the SBCERA Investment Officer, provided that CONSULTANT shall remain liable for all acts or omissions of such agent as if CONSULTANT had performed these acts or omissions itself. CONSULTANT's selection process shall be performed in a manner consistent with the Fiduciary Standard.

2.4 Certain Transactions. CONSULTANT shall not, nor cause the Fund, to knowingly transact with any Person which, at the time of such transaction, is (i) a Person named on the Specially Designated Nationals and Blocked Persons List administered by the Office of Foreign Assets Control (“OFAC”) of the United States Department of the Treasury, any other relevant anti-money laundering legislation or regulations, regulation or order administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, including Subtitle B, Chapter V of Title 31 of the U.S. Code of Federal Regulations, in each case as amended from time to time, (ii) any other Person with whom a transaction is prohibited by Executive Order 13224, the USA Patriot Act, the Trading with the Enemy Act or the foreign asset control regulations administered by OFAC, in each case as amended from time to time, (iii) a Person, with whom a transaction is prohibited by a U.S. person, and who is known by the CONSULTANT to be owned or controlled by any Person described in the foregoing items (i) or (ii) (with ownership of 20% or more of outstanding voting securities being presumptively a control position), or (iv) a Person having its principal place of business, or the majority of its business operations (measured by revenues), located in any country, in which a U.S. person is prohibited from engaging in a transaction pursuant to the laws, regulations and Executive Orders described in the foregoing item (ii). For purposes of the foregoing, CONSULTANT’s reliance on a representation or warranty made by a counterparty at or prior to the time of an investment or transaction shall constitute reasonable inquiry. CONSULTANT also agrees that neither it nor the Fund shall knowingly make any payment to any Person in violation of the U.S. Foreign Corrupt Practices Act (as amended from time to time), United Kingdom Bribery Act of 2010, or any applicable anti-corruption, anti-bribery and any applicable anti-money laundering statute or regulation. CONSULTANT confirms that the term “Person” as used herein includes governments, territories and other political entities.

ARTICLE 3

PAYMENT FOR SERVICES

As compensation for the consulting services, CONSULTANT will receive fees as

set forth hereto in Exhibit "C - Fee Schedule" upon submission of invoices in accordance with Subsection 2.1.3. Fees shall be paid quarterly in arrears on a calendar basis for services performed only during the preceding quarter. CONSULTANT fees shall be prorated based on the number of days in the quarter that services are rendered.

The fee schedule set forth in Exhibit "C – Fee Schedule" shall be in effect from _____, 2022, until _____, 2027. Thereafter, the fee schedule could be extended to 2029, as provided in Section 7.1. Subject to the renewal of this Agreement, the parties may renegotiate a new fee schedule to be effective on or after _____. Any renegotiated fee schedule shall be agreed to by both parties and set forth in a written modification to the Agreement.

The fees set forth in this Article shall be the sole compensation owed by or to any person for CONSULTANT's services under this Agreement.

ARTICLE 4

CONSULTANT'S REPRESENTATIONS, WARRANTIES, COVENANTS AND CERTIFICATIONS

4.1 CONSULTANT's Representations, Warranties and Covenants. CONSULTANT acknowledges, represents, warrants, and agrees that:

4.1.1 It is qualified to be an "Investment Consultant", as that term is defined in Section 3(38) of the ERISA, of the SBCERA and that it will maintain that status as long as this Agreement remains in effect;

4.1.2 It is a "Fiduciary", as that term is defined in Section 3(21)(A) of ERISA, with respect to the assets of the SBCERA and with respect to any decision made or action taken in connection with the rendering of advice or the performance of services under this Agreement; it is not subject to any of the disqualifications described in Section 411 of ERISA; and it will discharge its duties solely in the interest of the SBCERA, the SBCERA's participants and their beneficiaries and with the care, skill prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, in conformance with the California Constitution, article XVI, § 17 and

California Government Code Sections 31594 and 31595; ;

4.1.3 It has complied with and, when required, will comply with, all regulations, registrations, filings, approvals, authorizations, consents or examinations required by any governmental authority having jurisdiction over its activities or the acts contemplated by this Agreement, including, without limitation, any applicable state securities commissions, the United States Securities and Exchange Commission (hereinafter referred to as the "SEC") and the United States Department of Labor and the Internal Revenue Service;

4.1.4 The personnel of CONSULTANT who will be responsible for carrying out this Agreement are individuals experienced in the performance of the various functions contemplated by this Agreement and have not been convicted of any crime or found liable in a civil or administrative proceeding or pleaded nolo contendere or agreed to any consent decree with respect to any matter involving breach of trust or fiduciary duty, fraud, securities law violations, bankruptcy law regulations or any act or omission involving moral turpitude;

4.1.5 CONSULTANT is a registered investment advisor under the Investment Advisors Act of 1940, as amended, and its registration has not been suspended for any reason. CONSULTANT acknowledges and agrees that it is being retained by the SBCERA and its BOARD to act in a fiduciary capacity with respect to the SBCERA and accordingly, CONSULTANT accepts the duties and liabilities of a fiduciary, under the Fiduciary Standard. CONSULTANT acknowledges that it is not to seek, and is not entitled to rely upon, the approval or advice of any SBCERA Board member, officer, employee or any supervisor, officer, or employee of the County of San Bernardino with respect to the advice or service provided by it hereunder;

4.1.6 CONSULTANT has delivered to the SBCERA, at least five (5) business days prior to the execution of this Agreement, CONSULTANT's current SEC Form ADV, Part II (CONSULTANT's disclosure statement). The SBCERA acknowledges receipt of such disclosure statement at least five (5) business days prior to the execution of this

Agreement;

4.1.7 There are no complaints or disciplinary actions filed against CONSULTANT, or any affiliate, or any investment professional employed by it or any Affiliate who had performed any service with respect to the SBCERA's account in the twenty-four (24) preceding months by the SEC, the New York Stock Exchange, the American Stock Exchange, the National Association of Securities Dealers, the Commodity Futures Trading Commission, any Attorney General or any regulatory agency of any state of the United States, any department or agency of the government of the United States, or any governmental agency regulating securities or transactions in real property of any country in which CONSULTANT is doing business;

4.1.8 CONSULTANT certifies that the information contained in that certain "Proposal For The San Bernardino County Employees' Retirement Association" dated _____, and prepared by CONSULTANT for the SBCERA, a copy of which is attached as Exhibit D, was then delivered and is, as of the Effective Date, true, accurate and correct and does not contain any untrue statements of material fact or omit to state any material fact necessary to make such presentation, or any portion thereof, not misleading;

The foregoing acknowledgments, representations, warranties and agreements are understood to be relied upon by the SBCERA and the BOARD and to constitute a material inducement to the decision of the SBCERA and the BOARD to enter into this Agreement.

4.2 Gratuities. CONSULTANT warrants that no gratuities in the form of entertainment, gifts, or otherwise, were offered or given by CONSULTANT, or any agent or representative of CONSULTANT, to any officer, board member, other fiduciary, advisor, or employee of the SBCERA or the County of San Bernardino with a view toward securing this Agreement or securing favorable treatment with respect to the awarding or the making of any determination with respect to this Agreement. CONSULTANT covenants that no such gratuities will be given to any such person with a view towards securing favorable treatment with respect to the making of any determination with respect to the

performance, termination and/or continuation of this Agreement. CONSULTANT shall review and become familiar with the conflict of interest and reporting provisions applicable to the SBCERA, contained in Government Code Section 1090 to 1097 inclusive, 31528, 82030, 87100 to 87103.

4.3 Certification Concerning Financial Contacts or Solicitation. CONSULTANT represents and warrants that to the best of its knowledge no employee of the SBCERA or fiduciary whose position in the SBCERA enables such person to influence the award of this Agreement or any competing agreement, and no spouse or economic dependent of such person is or will be employed in any capacity by the CONSULTANT herein, or does or will have any direct or indirect financial interest in this Agreement. CONSULTANT will deliver annually to the SBCERA, or more frequently if requested, a certificate in the form of Exhibit E hereto ("CONSULTANT's Certification Concerning Financial Contracts or Solicitations") with respect to the interests of persons related to the SBCERA, as specified from time to time by the SBCERA.

4.4 Warranty re Contingent Fees. CONSULTANT warrants that no person or selling agency has been employed or retained directly or indirectly by CONSULTANT to solicit or secure this Agreement upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by CONSULTANT for the purpose of securing business.

ARTICLE 5 CONFLICTS OF INTEREST AND PERMITTED DEALINGS

5.1 Conflicts of Interest. CONSULTANT hereby represents that no fees, bonuses, gifts or other compensation of any kind is being paid by or on behalf of the CONSULTANT to any placement agent, finder or other individual or entity in connection with the procurement of this Agreement and the investment of the assets in the Fund. CONSULTANT further represents that no fee, gift, bonus, or other compensation of any kind or value has been paid or given by the CONSULTANT, or any of its affiliates,

employees, directors, consultants or agents to any of SBCERA's consultants or advisors (including their affiliates) for the purpose (or with the effect) of obtaining (i) an introduction to SBCERA, the Board or any of SBCERA's officers or employees in connection with the investment of Fund assets, or (ii) a favorable recommendation with respect to the investment of Fund assets or any other advice or recommendation made by CONSULTANT pursuant to this Agreement. CONSULTANT hereby acknowledges receipt of and agrees to abide by the "Disclosure of Placement Agent Fees, Gifts, and Campaign Contributions Policy" of SBCERA, attached as Exhibit F hereto and incorporated by reference herein. Failure to adhere to this policy shall be grounds for SBCERA to terminate this Agreement

5.2 Other Clients. It is understood that CONSULTANT performs investment consulting services for various other clients. CONSULTANT and its officers may act and continue to act as investment consultants for other clients, and nothing in this Agreement shall in any way be deemed to restrict the right of CONSULTANT to perform investment consulting services for any other client, so long as such services can be and are in fact performed without violating or adversely affecting CONSULTANT's duties and obligations of a fiduciary to SBCERA under this Agreement.

5.3 Disclosure of Economic Interests. Under no circumstances will CONSULTANT recommend any person, contract or transaction in which CONSULTANT, the Senior Consultant, Alternate Senior Consultant or any of their affiliates, associates or to the best of their knowledge and belief any client of any of the above has any financial or economic interest, without full written disclosure of the nature and extent of such interest prior to the time of CONSULTANT's recommendations and a certification that such interest will have no effect upon CONSULTANT's recommendations.

ARTICLE 6

CONSULTANT DISCLOSURES

6.1 Changes in Ownership. The CONSULTANT will promptly contact and provide a written statement to the Board: whenever there are material adverse changes in its

financial condition or whenever there are significant changes in its business, including, but not limited to, ownership (it being understood that 25% or more would be deemed significant) and key personnel (including, without limitation, those responsible for the account).

6.2 Litigation. CONSULTANT will promptly notify the Board in writing of any material litigation or regulatory proceedings commenced by it or to which CONSULTANT is a named party that could have a material impact on the Accounts or the Portfolio.

6.3 MNPI. CONSULTANT shall provide the Board with their written policy addressing the handling of material, non-public information within CONSULTANT's business and the personal trading and investments of their investment professionals and other key personnel.

6.4 Conflict Policies. CONSULTANT shall provide the Board with all internal policies concerning the management and disclosure of potential conflicts of interest that may exist within their business practices. CONSULTANT shall, on an annual basis, reaffirm the past year's policies and provide any amendments as appropriate.

6.5 Change in Representations. CONSULTANT shall promptly notify SBCERA in writing in the event that any acknowledgements, certifications, representations or warranties provided by CONSULTANT pursuant to this Agreement are no longer true.

6.6 Inappropriate Contact. CONSULTANT shall promptly report in writing to the Board Chair and/or to SBCERA Investment Officer, any contact by anyone, including SBCERA Board members or employees (unless their contact is for routine business purposes), the County of San Bernardino or any of members of its Board or any of its employees, who have either endorsed, suggested, or requested any specific contract, investment manager or advisor, consultant, investment, trade, strategy, or product to included, excluded, recommended, or otherwise with respect to any services to be provided by CONSULTANT under this Agreement.

ARTICLE 7

TERM AND TERMINATION

7.1 General. The term of this Agreement shall be five (5) years, from _____, 2022, until _____, 2027, and will commence on the Effective Date set forth above and continue in full force and effect to the completion of the term unless terminated sooner according to the provision set forth below. Thereafter, the contract may be extended at the option of the Board for an additional two (2) year contract period through _____, 2029. CONSULTANT or SBCERA may terminate this Agreement for any reason, including without limitation the convenience of the parties. Termination will be effected by delivery to the other party of a written Notice of Termination specifying the date upon which such termination becomes effective, which will not be less than thirty (30) days following the giving of such notice. During the period of time, between the giving of the written Notice of Termination and the effective date of termination, this Agreement will remain in full force and effect and the parties will continue to execute their rights and obligations under this Agreement, except as provided in section 7.2.1.

7.2 Remedies.

7.2.1 In the event that either party gives Notice of Termination under Section 7.1, above, SBCERA may immediately suspend CONSULTANT's authority to perform any/or all of the acts and services described in this Agreement including, without limitation, the right to enter into any agreement or commitment binding upon the SBCERA subsequent to the effective date of such notice. Such notice of suspension may be included in the Notice of Termination. Notwithstanding the suspension of services, SBCERA will remain liable for such fees as CONSULTANT may have earned or may have been entitled to receive under this Agreement through the effective date of termination.

7.2.2 In no event will the termination of this Agreement pursuant to Section 7.1, above, be deemed a waiver of either party's rights to make a claim against the other as provided for in Section 8.2, below.

7.2.3 The rights and remedies of the parties provided in this Section 7 will not be exclusive and are in addition to any other rights and remedies provided at law, in equity or under this Agreement.

7.2.4 CONSULTANT will cooperate with the SBCERA in effecting a smooth transition to a new consultant after any termination hereunder.

7.2.5 Within thirty (30) calendar days after the Agreement expires or otherwise terminates as provided above, the CONSULTANT (except as prohibited by recordkeeping requirements under the Advisers Act) shall deliver to the Board any and all records, reports, data and other information compiled by CONSULTANT, including all actions taken or services performed under the terms of this Agreement from the Effective Date through the date of any such expiration, termination or resignation, which have not been previously provided to the Board.

ARTICLE 8 INSURANCE AND INDEMNIFICATION

8.1 Insurance. Without limiting CONSULTANT's indemnification, CONSULTANT shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property, which may arise from or in connection with the performance of the work hereunder by CONSULTANT, its agents, representatives or employees. SBCERA shall retain the right at any time to review the coverage, form, and amount of the insurance required hereby. If in the opinion of SBCERA the insurance provisions in these requirements do not provide adequate protection for SBCERA and its members, SBCERA and CONSULTANT shall meet to discuss insurance coverage, sufficient in form and amount to provide adequate protection.

8.1.1 Verification of Coverage. CONSULTANT shall furnish evidence of insurance to the SBCERA Investment Officer or his or her designee prior to the commencement of this agreement. SBCERA reserves the right to require that CONSULTANT provide complete certified copies of any policy of insurance offered in

compliance with these specifications. The evidence of insurance shall specifically identify this Agreement and shall be accompanied by a written statement from the insurer that SBCERA is to be given at least thirty (30) days advance notice of any material modification or termination of any policy of insurance. As an alternative to insurance certificates, CONSULTANT 's insurer may voluntarily provide complete, certified copies of all required insurance policies, including endorsements, effecting the coverage required by these specifications.

8.1.2 Minimum Scope of Insurance. Coverage shall be at least as broad as:

(a) Commercial General Liability. This policy shall name SBCERA as an additional insured and be primary and not contributory to any policy maintained by SBCERA. Such policy shall cover liability for bodily injury and property damage arising out of CONSULTANT's services under this Agreement. Such policy shall include endorsements for property damage, premises-operations, products/completed operations, contractual, and personal injury with a limit of one million dollars (\$1,000,000) per occurrence and an annual aggregate of five million dollars (\$5,000,000).

(b) Workers' Compensation. This policy shall cover CONSULTANT's employees for injuries arising in connection with services provided under this Agreement. The amount will be sufficient to meet all applicable statutory requirements to cover CONSULTANT's employees.

(c) Errors And Omissions. CONSULTANT shall maintain to cover CONSULTANT and its agents for errors and omissions losses arising from the services provided under this Agreement. Such policy shall have a limit of five million dollars (\$5,000,000) per occurrence and an annual aggregate of five million dollars (\$5,000,000).

(d) Fidelity Bond. A fidelity bond providing for protection of SBCERA covering theft, fraud and employee dishonesty in an amount not less than ten million dollars (\$10,000,000) per occurrence and in the aggregate and applying to all services performed under this Agreement.

(e) Cyber Risk. Insurance covering cyber-related security and privacy breaches with limits of not less than ten million (\$10,000,000) in the aggregate.

8.1.3 Deductibles and Self-Insured Retention. Any deductibles or self-insured retention must be declared to and approved by SBCERA's Investment Officer. At the option of the SBCERA Investment Officer, either: the insurer shall reduce or eliminate such deductibles or self-insured retention with respect to SBCERA, its officers, agents, employees and volunteers; or Investment Officers shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

8.1.4 Claims Made Professional Liability Insurance If professional liability coverage is written on a Claims Made form:

(a) The "Retro Date" must be shown, and must be on or before the date of the contract or the beginning of contract work.

(b) If coverage is canceled or non-renewed, and not replaced with another Claims Made policy form with a "Retro Date" prior to the contract effective date, Manager must purchase "extended reporting" coverage for a minimum of five (5) years after termination of this Agreement.

(c) A copy of the claims reporting requirements must be submitted to SBCERA for review.

8.1.5 Acceptability of Insurers. Such insurance will be provided by insurer(s) rated not less than Best's Financial Class X and Best's Policy Holder Rating A- or otherwise approved in writing by the SBCERA.

8.1.6 Waiver and Subrogation. CONSULTANT shall cause each General Liability insurance policy obtained by it with respect to this Agreement to provide that the insurer waives all right of recovery by way of subrogation against SBCERA and against the trustees, officers, and employees of SBCERA, in connection with any claims of bodily injury or property damage covered under such policy, and such waiver shall be indicated in any insurance certificate to be provided pursuant to this Agreement. If any insurance policy required under this Agreement is obtainable only by the payment of an additional premium charge (i.e., above that charged by the insurer for such policy without a waiver of subrogation), CONSULTANT shall have the option to either pay the additional premium for

a waiver of subrogation from such insurer or to place the insurance with another insurance company that meets the requirements set forth in this Section and will issue the aforementioned waiver of subrogation free of charge.

8.2. Indemnification

8.2.1. Grants of Indemnity.

(a) By CONSULTANT. CONSULTANT shall indemnify, hold harmless and defend SBCERA, all present, future and former members of the Board, and all of SBCERA's officers, employees, and agents (collectively "SBCERA Indemnitees") from and against any and all liability, loss, costs and expenses (including but not limited to attorneys' fees), damages, demands, suits, proceedings, claims, and actions arising out of or in any way whatsoever related to or connected with the performance of services by CONSULTANT under this Agreement, (including but not limited to CONSULTANT's acts or omissions that are negligent, constitute bad faith or willful misconduct, involve a breach by CONSULTANT of this Agreement, or a breach of CONSULTANT's Fiduciary Standard) (collectively "SBCERA Claims"). If it is subsequently determined by a court of competent jurisdiction that SBCERA or any SBCERA Indemnitee was not entitled to indemnification from CONSULTANT, SBCERA will reimburse CONSULTANT for all reasonable damages, costs and expenses incurred in providing a defense and indemnification for SBCERA Indemnitees. For the preceding indemnification to apply, a SBCERA Indemnitee shall, no later than thirty (30) days after receipt of notice of commencement of any action, suit, proceeding or claim in respect of which a claim for indemnification may be made, notify CONSULTANT in writing of the commencement of such action, suit, proceeding or claim, enclosing a copy of all papers served or provided. The foregoing notice requirement shall be deemed to have been satisfied if CONSULTANT has received notice of the commencement of such action, suit or proceeding or claim from any source whatsoever within such thirty (30) day period. Notwithstanding the foregoing, the failure to give such notification shall not affect the indemnification to be provided hereunder except to the extent CONSULTANT shall have been actually prejudiced as a result of such failure. In any such action, suit, proceeding or claim, CONSULTANT shall participate in and may assume the defense thereof with counsel reasonably satisfactory to SBCERA. More than one counsel

shall be required to represent SBCERA Indemnitees or CONSULTANT if either or both of the parties reasonably believe there is a conflict of interest. SBCERA Indemnitees shall have the right, in their sole discretion, to participate in or lead any defense of any SBCERA Claims without waiving its right to indemnification including but not limited to attorneys fees. CONSULTANT shall not have the right to compromise or settle any SBCERA Claims without SBCERA's consent, which shall not be unreasonably withheld.

ARTICLE 9 RECORDS

9.1 Record Retention and Inspection of CONSULTANT's Records. CONSULTANT will furnish to the SBCERA and its authorized representatives, on reasonable notice (which in no event need ever be more than five (5) business days) and during ordinary business hours, full access to those records maintained by CONSULTANT with respect to this Agreement. CONSULTANT will retain any and all records in its possession with respect to this Agreement for a minimum period of five (5) calendar years, or any longer period required by law, from the date the records were created. CONSULTANT will give the SBCERA sixty (60) days' notice of its intent to dispose of any such records following the expiration of such retention period. The SBCERA will have the right within such sixty (60) day period to take possession of any and all such records. CONSULTANT will reasonably cooperate with the SBCERA in the implementation of such change in possession. The provisions of this Section 9.1 will survive termination of this Agreement for a period of five (5) years; provided that the obligation of the CONSULTANT to give SBCERA notice of its intention to dispose of records, permits the SBCERA to take possession of records and the obligation of CONSULTANT to cooperate with SBCERA in such regard shall also survive the termination of this Agreement for a period of seven (7) years.

9.2 Confidentiality. Except as provided by applicable law, or by order of a court or regulatory authority, CONSULTANT shall maintain the confidentiality of all its documents, data, records, and other recorded information with respect to this Agreement, including, but not limited to, billing and the SBCERA records. CONSULTANT shall maintain the

same confidentiality of these records as it does for other accounts.

ARTICLE 10 GOVERNMENTAL PROVISIONS

10.1 Governing Law and Venue. This Agreement will be construed in accordance with and governed by the laws of the State of California. Should either party file a lawsuit over any matter arising out of this Agreement, said lawsuit will be filed and prosecuted in the County of San Bernardino, State of California, and all parties hereto hereby consent to such venue and the personal jurisdiction of all courts sitting within such local.

10.2 Assurance of Compliance With Civil Rights Laws. CONSULTANT hereby agrees and represents that it is an equal opportunity employer and has adopted policies to implement the purpose and provisions of the Civil Rights Act of 1964, 42 USC § 2000(e), et seq., to assure that no person is denied employment on the basis of race, creed, color, sex or national origin in connection with its performance of this Agreement.

10.3 Affirmative Action. The CONSULTANT shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, handicap, ancestry or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

10.4 Suspensions, Complaints. Except as provided by applicable law or contract, or by order of a court or regulatory authority, CONSULTANT shall promptly notify the SBCERA in writing of any complaints or disciplinary actions filed against it of which CONSULTANT is aware, or any investment professional employed by it, who has performed any service with respect to the SBCERA's account in the twenty-four (24) preceding months, by the Securities and Exchange Commission of the United States, the New York Stock Exchange, the American Stock Exchange, the National Association of Securities Dealers, the Commodity Futures Trading Commission, any Attorney General or any regulatory

agency of any state of the United States, any department or agency of the Government of the United States or by any governmental agency regulating securities of any country in which CONSULTANT is doing business.

10.5 Independent Contractor. CONSULTANT will at all times be acting in the capacity of independent contractor. CONSULTANT will be considered to be representing the SBCERA to the extent it is acting within the scope of this Agreement, but this Agreement is not intended, and will not be construed, to create the relationship of agent, servant, employee, partner, joint venture, or association, as between the SBCERA and CONSULTANT. CONSULTANT understands and agrees that all persons furnishing services to the SBCERA pursuant to this Agreement are employees solely of CONSULTANT and not of the SBCERA. CONSULTANT will bear the sole responsibility and liability for furnishing Workers' Compensation benefits to any person performing services to CONSULTANT for injuries arising from or connected with services provided to the SBCERA pursuant to this Agreement.

10.6 Contractors. All services performed with respect to the work will be performed by CONSULTANT with its own forces, except with the prior written approval of the SBCERA Investment Officer. No performance of this Agreement or any portion thereof may be contracted by CONSULTANT without the express written consent of the SBCERA Investment Officer. CONSULTANT will be solely liable and responsible for any and all payments and other compensation to any contractor, and the SBCERA will have no direct liability to any contractor.

10.7 Filing Form 700. CONSULTANT agrees that the Senior Consultant and the Alternate Senior Consultant shall file a California Form 700, Statement of Economic Interests, with the SBCERA Investment Officer and the appropriate governmental office as soon as possible after signing this Agreement, and annually thereafter by April 1st of each year. SBCERA agrees to mail a Form 700 to CONSULTANT each year with a reminder of the reporting requirement.

10.8 Interpretation. This Agreement has been negotiated at arm's length and between parties sophisticated and knowledgeable in the matters dealt with in this Agreement. Each party has been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law (including, without limitation, California's Civil Code Section 1654) or legal decisions that would require interpretation of any ambiguities in this Agreement against the party that has drafted it shall not be applicable and are hereby waived by each party to the Agreement. The provisions of the Agreement shall be interpreted in a reasonable manner to effectuate the purpose of the parties and this Agreement.

ARTICLE 11 MISCELLANEOUS

11.1 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

11.2 Successors and Assigns. Neither this Agreement nor CONSULTANT's rights or duties hereunder may be assigned by CONSULTANT without the prior written consent of the SBCERA, which may be withheld for any reason or no reason at all in the sole and absolute discretion of the SBCERA.

11.3 Article and Paragraph Headings. The article and paragraph titles of this Agreement are inserted for convenience of reference. They constitute no part of this Agreement and are not to be considered in its construction.

11.4 Authorized Personnel. The SBCERA shall give CONSULTANT a list of persons, with specimen signatures, authorized to give instructions and notices, and otherwise act on the SBCERA's behalf under this Agreement. Any changes to the list shall be made in writing to the CONSULTANT and signed by the SBCERA Investment Officer. Until receipt of notice of any such change, CONSULTANT, without liability, may rely on and act in accordance with instructions and notices received from authorized persons identified on the current list furnished by the SBCERA.

11.5 Notices. Notices desired or required to be given hereunder to the effective will be in writing and will be deemed to have been given if made by hand delivery with signed receipt (or proof of service executed by an independent process server) or on the fourth (4th) business day after posting when mailed within the United States by first class registered or certified mail, postage prepaid, addressed to the SBCERA and CONSULTANT at their respective addresses designated below, or to such other person or at such other address. Notices shall be sent to the SBCERA to:

San Bernardino County Employees' Retirement Association
348 West Hospitality Lane, Suite 100
San Bernardino, CA 92408
Attention: Deborah S. Cherney, Chief Executive Officer

with a copy to:
Attention: Barbara Hannah, Chief Counsel

Notices shall be sent to CONSULTANT addressed as follows:

[Name]
[Address]
Attention: [Names]

Either party may change the address for notices upon written notice received by the other party.

11.6 Validity. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

11.7 Waiver. No waiver of a breach of any provision of this Agreement by either party shall constitute a waiver of any other breach of said provision or any other provision of this Agreement. No waiver will be enforceable unless it is a written agreement executed by the party granting the waiver, making specific reference to this Agreement and reciting the parties' intention that it constitute a waiver. Failure of either party to enforce at any time, or from time to time, any provisions of this Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity.

11.8 Attorney Fees. In the event of any litigation regarding this Agreement, the prevailing party as determined by the appropriate court shall be entitled to recover its reasonable attorney's fees.

11.9 Consultants and Managers. CONSULTANT agrees to cooperate with such other consultants, advisors and managers as the SBCERA may retain from time to time to assist the SBCERA.

11.10 Merger. This Agreement, and the Exhibits attached hereto, will constitute the complete and exclusive statement of understanding between the parties, superseding all previous agreements, written or oral, and all other previous communication between the parties relating to the subject matter of this Agreement.

11.11 Changes and Amendments. The SBCERA and CONSULTANT reserve the right to amend any such terms and conditions of this Agreement which may become necessary. Any revisions hereto will be accomplished by written agreement executed by both of the parties making specific reference to this Agreement and reciting the parties' intention that it constitute an amendment.

[Remainder of this page intentionally left blank. Signature page follows.]

EXECUTED AND AGREED TO by the parties as of the date first written above by their
duly authorized representatives:

[CONSULTING FIRM]

SAN BERNARDINO COUNTY
EMPLOYEES' RETIREMENT
ASSOCIATION

By: _____
Name:
Title:

By: _____
Name: [Name]
Title: [SBCERA Officer]

CONTRACT APPROVED AS TO FORM AND
LEGALITY:

SAN BERNARDINO COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION

By: _____
[Name]
Chief Counsel
Date: _____

LIST OF EXHIBITS

- EXHIBIT "A" - Statement of Services
- EXHIBIT "B" - Investment Plan, Policy and Guidelines
- EXHIBIT "C" - Fee Schedule
- EXHIBIT "D" - Proposal For The San Bernardino County
Employees' Retirement Association
Dated: []
- EXHIBIT "E" - CONSULTANT's Certification Concerning
Financial Contracts or Solicitations
- EXHIBIT "F" - Disclosure of Placement Agent Fee, Gifts, and
Campaign Contributions Policy