



EXPRESSION OF INTEREST
INVESTMENT MANAGEMENT SERVICES
CITY OF CHARLESTON, WV POLICE AND FIREMEN'S
PENSION RELIEF FUNDS

Issued: September 14, 2021

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Fire and Police Pension Board Secretaries

INTRODUCTION

The City of Charleston, WV Police and Firemen's Pension and Relief Fund boards are responsible for investing pension contributions to ensure each fund is actuarially sound. Currently, the two funds' portfolio invests a combined approximate amount of \$67,000,000. The boards are requesting proposals from qualified investment management firms to assist the boards in carrying out the investment policies and guidelines that are designed to ensure that sufficient assets are available to meet future pension obligations.

SCOPE OF SERVICES

The boards are soliciting proposals from investment consultant firms who provide broad investment expertise given today's complex and fast-paced market economy. The boards require significant expertise to obtain the best investment return.

PROPOSAL SPECIFICATIONS

Proposals should be prepared simply and economically, providing straightforward, concise descriptions of the firm's capabilities to satisfy the boards' needs. Ownership of all data, materials, and documentation originated and prepared for the City pursuant to this solicitation will belong to the City and subject to the West Virginia Freedom of Information Act, unless the content is proprietary in nature such that it is excluded from production. All pages or sections of submitted documents considered by the firm to be proprietary in nature should be clearly labeled.

All questions must be transmitted according to established deadlines to Ms. Jamie Bowles, Purchasing Director, by emailing Jamie.Bowles@cityofcharleston.org.

All proposals must be submitted in writing and in electronic format as a PDF file readable with Adobe Acrobat software. Proposals must be transmitted according to established deadlines to Ms. Jamie Bowles, Purchasing Director, by emailing Jamie.Bowles@cityofcharleston.org.

The boards will evaluate each response to determine if it was submitted in accordance with the requirements set forth in this RFP. The boards will evaluate all responses having met established criteria. Based upon this review, the boards will invite at least three candidate firms to make a presentation to both boards. The successful candidate firm and the non-successful candidate firm(s) who make presentations will be notified of

the boards' decision. The boards are not obligated to provide feedback to unsuccessful candidate firms.

The following is only a tentative time schedule for the boards' search for a firm to provide investment management services. All dates are subject to modification by the boards.

- Issuance of EOI on Monday, September 14, 2021.
- Questions deadline at 4:00 p.m. EST on Monday, September 27, 2021.
- EOI response submission deadline 4:00 p.m. EST on Monday, October 4, 2021.
- Candidate firm presentations October 11-15, 2021.
- Notification of successful candidate by October 29, 2021.
- Projected service commencement date – January 1, 2022.

The designated investment manager or advisor shall, on a quarterly basis, report to the boards on the investment performance of the Portfolio and capital market conditions. A comprehensive year-end report shall also be submitted to the boards. A quarterly performance review with the Investment Manager of the Portfolio will be conducted.

FIRM INFORMATION

Organizational Structure

Please provide the following information:

1. Firm name:
2. Firm headquarters mailing address:
3. Firm headquarters telephone number:
4. Name of individual(s) completing questionnaire:
5. Local firm's office telephone number(s), and address(es):
6. Local firm's fax number(s), including country code(s):
7. Date questionnaire completed:
8. Firm classification:
 - ___ Bank
 - ___ Insurance Company
 - ___ SEC-Registered Investment Adviser
 - ___ Non-U.S. Registered Investment Manager

(Country and entity registered with: _____)

____ Other

If other, please explain _____.

9. Brief history of firm, including ownership and the name of any affiliations/subsidiaries (if any). Please include the length of time your organization has been in business.

10. Organizational chart of firm:

11. Business succession plans for the local branch office submitting this RFP:

12. Name of regulatory body overseeing the firm and the dates of registration, as appropriate:

Assets under Management

Account Type	Company Wide	Local Branch Office Completing the RFP
Corporate		
Public fund		
Union/multi-employer		
Foundation and endowment		
Insurance		
High-net-worth individuals		
Wrap accounts		
Individual/Small Business		
Total		

Firm Personnel

Please fill out the following table, listing the number of individuals in each job. If individuals hold multiple jobs or responsibilities, only count them once under their main responsibility and detail this in the “Notes” section at the bottom of the table.

Job Function	Number of Employees	Avg. Yrs. Experience
Compliance personnel		
Registered Representatives		
Client service		
Marketing		
Other staff		
Total firm employees		
<i>Notes:</i>		

Please provide a list of all key personnel that will be involved in the management of this product including any companies you may partner with that are used to build a diversified portfolio.

Name	Title	Education	Company	Total Inv. Exp. (years)	Tenure with Company

COMPLIANCE

1. Is your business, or any affiliate, currently involved in any ongoing litigation, investigation, or administrative proceedings related to investment activities? If yes, please describe.
2. Please describe the client-reporting process of the portfolio. How frequently are statements made available?
3. Have the principals of your firm been under investigation related to investment activities in the last five years? If yes, please explain.

Proxy Voting

1. Please provide the proxy voting process established with your firm

Governance

1. Please provide a summary of your firm's internal control structure.
2. Please describe any potential conflicts of interest your firm may have in the management of this account. If there are conflicts, please describe how they will be addressed.

PRODUCT INFORMATION

Proposed Product

1. Using the provided Investment Policy Statement and WV State Code 8-22-22, please provide a brief overview of the specific type of product(s) under consideration for this portfolio.
2. What is the investment objective of this product?
3. What benchmark is most appropriate for this product and why?
4. Please briefly describe your firm's investment philosophy.
5. Are portfolios managed by individual managers or teams?
6. How frequently are investment policy or strategy meetings held?

Product Risk

1. Please describe how your firm controls portfolio investment risk.
2. How does your firm currently measure/track risks for this product?
3. To what extent do you use hedging strategies for this product, including currency hedging and/or any leverage?

Fees and Account Minimums

1. Please list your fee schedule for this product. Also include performance-based fees, the basis for those fees, and any other fees that may be applicable to the management of this account.
2. What is the minimum account your firm will accept?
3. What is your billing frequency?

PERFORMANCE

Guidelines for Portfolio Structure

1. Please attach your recommended portfolio for this product that stays within the required guidelines of WV State Code Section 8-22-11 & 8-22-22(a). The applicable

investment policy statement of the fund is also attached for reference, which outlines restrictions on investments for the asset manager to use in their decision-making process. Multiple asset class parameters are given to ensure prudent investment management of the funds, while giving latitude to the portfolio manager(s) to seek above average returns for their clients. The returns of the proposed portfolio should be delineated using 1yr., 3yr., 5yr., & 10 yr. averages for the purpose of illustrating historic performances of the asset managers. Dates ranging from 1/1/2011 thru 12/31/2020 shall be used for comparison.

§8-22-11. Investment of funds.

The board shall keep as an available sum for the purpose of making retirement, disability and death payments and administration expense an amount estimated to meet such payments for a period not to exceed ninety days. The board in acquiring, investing, reinvesting, exchanging, retaining, selling and managing property for the benefit of the fund shall exercise judgment and care which persons of experience, prudence, discretion and intelligence exercise in the management of financial affairs, considering the probable income as well as the probable security of the investment and with regard to the permanent disposition of the fund. Within the limitations of the foregoing standard, the board is authorized in its sole discretion to invest and reinvest any funds received by it in the following:

- (1) Any direct obligation of, or obligation guaranteed as to the payment of both principal and interest by, the United States of America;
- (2) Any evidence of indebtedness issued by any United States government agency guaranteed as to the payment of both principal and interest, directly or indirectly, by the United States of America including, but not limited to, the following: Government national mortgage association, federal land banks, federal home loan banks, federal intermediate credit banks, banks for cooperatives, Tennessee valley authority, United States postal service, farmers home administration, export-import bank, federal financing bank, federal home loan mortgage corporation, student loan marketing association and federal farm credit banks;
- (3) Any evidence of indebtedness issued by the federal national mortgage association to the extent such indebtedness is guaranteed by the government national mortgage association;
- (4) Any evidence of indebtedness that is secured by a first lien deed of trust or mortgage upon real property situate within this state, if the payment thereof is substantially insured or guaranteed by the United States of America or any agency thereof;
- (5) Direct and general obligations of this state;
- (6) Any undivided interest in a trust, the corpus of which is restricted to mortgages on real property and, unless all of such property is situate within the state and insured, such trust at the time of the acquisition of such undivided interest, is rated in one of the three highest rating grades by an agency which is nationally known in the field of rating pooled mortgage trusts;

(7) Any bond, note, debenture, commercial paper or other evidence of indebtedness of any private corporation or association: Provided, That any such security is, at the time of its acquisition, rated in one of the three highest rating grades by an agency which is nationally known in the field of rating corporate securities: Provided, however, That if any commercial paper or any such security will mature within one year from the date of its issuance, it shall, at the time of its acquisition, be rated in one of the two highest rating grades by any such nationally known agency and commercial paper or other evidence of indebtedness of any private corporation or association shall be purchased only upon the written recommendation from an investment advisor that has over \$300 million in other funds under its management;

(8) Negotiable certificates of deposit issued by any bank, trust company, national banking association or savings institution which mature in less than one year and are fully collateralized;

(9) Interest earning deposits including certificates of deposit, with any duly designated state depository, which deposits are fully secured by a collaterally secured bond as provided in section four, article one, chapter twelve of this code; and

(10) Mutual funds registered with the securities and exchange commission which have assets in excess of \$300 million.

§8-22-22a. Restrictions on investments; diversification of investments; disclosure of fees and costs.

(a) Moneys invested as permitted by section twenty-two of this article and not invested with the West Virginia Investment Management Board or the Board of Treasury Investments are subject to the following restrictions and conditions contained in this section:

(1) The board of trustees of each fund shall diversify fund investment so as to minimize the risk of large losses unless, under the circumstances, it is clearly prudent not to do so.

(2) The board shall hold in equity investments no more than seventy-five percent of the total pension assets managed by the board.

(3) The board shall hold in international securities no more than thirty percent of the total pension assets managed by the board.

(4) The board may not at the time of purchase hold more than five percent of the assets managed by the board in the equity securities of any single company or association.

(5) The board may purchase any security trading on the New York Stock Exchange, the American Stock Exchange and the NASDAQ over-the-counter market for its pension portfolio unless it is otherwise restricted by this section. No more than twenty-five percent of the board's total retirement plan assets may be invested in any one industry.

(6) The board shall annually review, establish and modify, if necessary, the board's investment objectives and investment policy so as to provide for the financial security of the trust funds giving consideration to the following:

(A) Preservation of capital;

(B) Diversification;

(C) Risk tolerance;

(D) Rate of return;

(E) Stability;

(F) Turnover;

(G) Liquidity; and

(H) Reasonable cost of fees.

(7) The board is expressly prohibited from investing in any class, style or strategy of alternative investments, including a real estate investment trust, private equity fund such as a venture capital, private real estate or buy-out fund; commodities fund; distressed debt fund; mezzanine debt fund; hedge fund; or fund consisting of any combination of private equity, distressed or mezzanine debt, hedge funds, private real estate, commodities and other types and categories of investment permitted under this article unless the investments satisfy all of the following:

(A) A professional third-party fiduciary investment adviser registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940, as amended, recommends the investment;

(B) The board or a committee designated by the board approves the investment;

(C) The total maximum alternative investment exposure of all strategies in this subdivision may not be more than twenty-five percent of the total pension portfolio at any time;

(D) The total maximum alternative investment exposure of a single fund strategy in this subdivision may not be more than ten percent of the total pension portfolio at any time; and

(E) The board requires that all of the plan assets be invested in liquid securities that are defined as securities that can be transacted quickly and efficiently for the plan, priced daily and settled within five business days.

(8) Notwithstanding the investment limitations set forth in this section, it is recognized that the assets managed by the board may temporarily exceed the investment limitations in this section due to market appreciation, depreciation and rebalancing limitations. Accordingly, the limitations on investments set forth in this section shall not be considered to have been violated if the board rebalances the assets it manages to comply with the limitations set forth in this section at least once every twelve months based on the latest available market information and any other reliable market data that the board considers advisable to take into consideration.

(9) The board shall hold in fixed income and cash equivalent investments no less than twenty-five percent and no more than seventy-five percent of total pension assets. No more than five percent may be held in one issuer or twenty-five percent in one industry: Provided, That the board may exceed this limitation if the investments are held in United States securities.

(10) Fixed income securities shall be of generally high quality and have a quality rating of "B-" or better by Moody's, Standard & Poor's, or other recognized agency, unless held by a registered investment advisor and governed by prospectus. The total fixed income portfolio shall have an average Standard & Poor's quality rating of at least "A-". For registered mutual funds, the prospectus of the fund will govern the investment policies of the fund investments.

(11) The maximum maturity for any fixed income securities is thirty years. The weighted average portfolio maturity of all fixed income securities may not exceed ten years.

(12) The board is authorized in its sole discretion to invest and reinvest any funds received by it in the following fixed income securities:

(A) Obligations issued by the U. S. government, its agencies and instrumentalities;

(B) Obligations of foreign governments and their subdivisions, agencies and government-sponsored enterprises;

(C) Obligations of international agencies or supranational entities;

(D) Mortgage-related and other asset-backed securities;

(E) Corporate debt securities, including convertible securities and corporate commercial paper;

(F) Inflation-index bonds issued by corporations;

(G) Bank certificates of deposit, fixed time deposits and banker's acceptances; and

(H) Debt securities, issued by states or local governments and their agencies, authorities and other instrumentalities.

(13) The board is authorized in its sole discretion to invest and reinvest any funds received by it in the following cash and cash equivalents:

(A) Treasury bills;

(B) Money market funds;

(C) Short-term investment funds;

(D) Commercial paper;

(E) Bankers' acceptances;

(F) Repurchase agreements; and

(G) Certificates of deposit.

(14) Investments in cash equivalents shall be of the highest quality and, if rated, shall be ranked at least A2/P2 or higher.

(b) The board of trustees of each fund shall obtain an independent performance evaluation of the funds at least annually and the evaluation shall consist of comparisons with other funds having similar investment objectives for performance results with appropriate market indices; and

(c) Each entity conducting business for each pension fund shall fully disclose all fees and costs of investing conducted on a quarterly basis to the trustees of the fund and to the oversight board in the manner directed by the oversight board. Entities conducting business in mutual funds for and on behalf of each pension fund shall timely file revised prospectus and normal quarterly and annual Securities and Exchange Commission reporting documents with the board of trustees of each pension fund.

**Investment Policy Statement
For
City of Charleston, WV Firemen's Pension and Relief Fund**

The Pension Board of the City of Charleston, WV Firemen's Pension and Relief Fund has established this Investment Policy Statement for the purpose of providing general guidelines for the prudent investment management of its fund's assets. We recognize that changing economic and market conditions may make it impossible for our fund to precisely mirror all aspects of this investment policy at any point in time and, as such, we agree and understand that this policy is to serve primarily as a general framework within which our fund is to be managed.

Authority for Implementing the Investment Policy

The Pension board can elect to delegate the investment management duties for all or some part of the fund to one or more professional investment manager(s) who shall be guided by the overall investment policy guidelines established by this policy statement, as permitted by the West Virginia State Code Section 8-22-22(a).

General Investment Objectives

To achieve the fund's investment objectives, generally, the first goal should be that of preservation of capital with an emphasis on consistent investment performance. The fund's investment results should be characterized as that of total return from both growth and income, collectively outperforming the rate of inflation.

The fund's minimum annual rate of return objective shall be one (1/2 of 1%) percentage point above the Balanced Index, which is made up of the appropriate percentages of the S&P 500 and/or Lehman Brothers Bond Index tailored to the asset mix of the total fund, over a market cycle, typically three to five years.

Various other indices commonly used to measure performance of professional investment managers that more appropriately mirror their style of investing may be utilized from time to time as appropriate.

Liquidity

To meet the fund's anticipated short-term liquidity requirements a minimum of two (2%) percent of the fund's total assets should be maintained in cash/cash equivalents.

Cash and cash equivalents can appropriately include cash, money market mutual funds and/or individual money market instruments.

General Risk Parameters

The Pension Board recognizes that virtually all investments entail some degree of risk and also understanding that defining risk for the fund's assets is not a precise science. However, to establish a general risk tolerance for the fund the Pension Board has determined that high quality investments providing an opportunity for

modest growth of capital are essential. While the fund as a whole should project a general conservative identity, limited use of more aggressive investments is permissible for diversification purposes.

To the extent the fund holds fixed income securities, no such individual securities shall have less than an S&P quality rating of B-. The total fixed income portfolio shall have an average S&P quality rating of a least A-.

To the extent the fund holds domestic equity securities, risk is to be measured in terms of volatility relative to the S&P 500 Stock Index. The pension board desires that the average volatility of the fund's equity portfolio should be approximately one (1%) percent greater than that of the S&P 500.

Diversification

In order to achieve a prudent level of portfolio diversification, the securities of any one company should not exceed more than five (5%) percent of the total fund, and no more that fifteen (15%) percent of the total fund should be invested in any one industry, other than securities of the US Government of Agencies therefore, as required by West Virginia Code Section 8-22-22a, Section (a) (b).

Asset Allocation

The Pension Board has set a general asset allocation guideline for the investment of the fund's total combined assets as follows:

Asset Class	Minimum	Maximum
Equities	25%	75%
Income	25%	70%
Cash & Equivalent	2%	25%

The Pension Board may employ investment managers whose investment disciplines require investments outside the established asset allocation guidelines. However, taken as a component of the overall fund, such disciplines must fit within the overall asset allocation guidelines established by this statement and as required by West Virginia Code Section 8-22-22a, Section (a) (b) (c).

Investment Restrictions/Prohibitions

The Pension Board has determined that the general guidelines established by this Policy Statement are sufficient to clearly delineate the fund overall investment direction. Additionally, adherence to West Virginia State Code 8-22-22a, which specifically lists restrictions on investments, should be adhered to.

Voting of Proxies

Professional investment manager(s) selected shall be responsible for voting all proxies and having established policies, guidelines and records of all votes cast.

Disclosure of Fees and Costs

The investment consultant(s), investment manager(s), and all other custodian(s) of the Fund shall comply with West Virginia Code 8/22/22a(c) which states, "Each entity conducting business for each Pension Fund shall fully disclose all fees and costs of investing conducted on a quarterly basis to the trustees of the Fund and to the oversight board. Entities conducting business in mutual funds for and on behalf of each Pension Fund shall timely file revised prospectus and normal quarterly and annual Securities and Exchange Commission reporting documents with the board of trustees of each Pension Fund.

Review and Evaluation

Unless more frequently necessitated by unusual changes in economic and investment cycles or by material changes in the fund's basic underlying investment objectives, the pension board shall formally review this Investment Policy Statement and shall obtain an independent performance evaluation of the fund at least annually, as required by West Virginia State Code Section 8-22-22a, Section (b).

Investment Policy Statement
For
City of Charleston, WV Policemen's Pension and Relief Fund

The Pension Board of the City of Charleston, WV Policemen's Pension and Relief Fund has established this Investment Policy Statement for the purpose of providing general guidelines for the prudent investment management of its fund's assets. We recognize that changing economic and market conditions may make it impossible for our fund to precisely mirror all aspects of this investment policy at any point in time and, as such, we agree and understand that this policy is to serve primarily as a general framework within which our fund is to be managed.

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Shortlisted Firm Evaluation

The City of Charleston will evaluate the firms that have been determined most qualified and able to perform the desired services. The evaluation criteria are based on a 100-point total score: Evaluation Criteria

Maximum 30 points (Up to 5 points per question)	Score
Do the investment objectives meet the needs of the fund?	
How will the portfolio be actively managed?	
Performance history for last 1, 3, 5, and 10 years of investment firm	
Was the proposal submitted properly and prior to the deadline listed?	
Will the portfolio be supervised by an experienced certified investment manager?	
Does the majority of the key staff have three or more years of experience?	
Cost Criteria: Maximum 20 points	
Fee schedule including any performance based fees, basis for the fees, and any other	
Total	0

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Investment Restrictions/Prohibitions

The Pension Board has determined that the general guidelines established by this Policy Statement are sufficient to clearly delineate the fund's

overall investment direction. Additionally, adherence to West Virginia State Code 8-22-22a, which specifically lists restrictions on investments, should be adhered to.

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Established this _____ day of _____ 2021.
