

MONTANA

BOARD OF INVESTMENTS

BOARD ADOPTED POLICY

POLICY NUMBER: 10.300

EFFECTIVE DATE: September 23, 2022

TITLE: Investment Consultant

SUPERSEDES: November 30, 2021

BOARD ADOPTION: November 30, 2021

REVIEWED: July 20, 2022

I. Investment Consultant

- A. The Board has the authority to procure and select the Investment Consultant. The Executive Director shall prepare a competitive selection process to be used in solicitation and selection of an Investment Consultant after which, the Executive Director shall negotiate a contract.
- B. The purpose of this Policy is to acknowledge the complex and substantial role of the Investment Consultant, describe the range of services provided, and establish the minimum qualifications for respondents.
- C. The Investment Consultant provides a range of services, including, but not limited to:
1. Conducting annual review of asset allocations,
 2. Providing quarterly investment performance reports,
 3. Advising the Board's investment manager structure,
 4. Assisting in searches for external investment managers,
 5. Reviewing benchmarks for all external managers, internally managed portfolios, and investment pools,
 6. Providing pacing studies,
 7. Reviewing investment guidelines and policies,
 8. Conducting asset liability studies,
 9. Assisting in searches for custody and securities lending services, and
 10. Providing training to Board members and staff on requested investment topics.
- D. Given the complex role, responsibility, and trust associated with the Board's Investment Consultant, the Board specifies the following *minimum* qualifications for respondents. Respondents must:
1. Be a registered investment advisor under the Investment Advisers Act of 1940,
 2. Have five (5) years of experience providing investment consulting services to at least five (5) public institutional investors with assets of at least \$5 billion,
 3. Have five (5) years of experience completing asset/liability studies and have completed at least three (3) studies within the past three (3) years,
 4. Agree to be a fiduciary to the Board and UIP Funds as that term is defined by the laws and rules governing the Board,
 5. Not have any direct or indirect ownership of investment managers, investment brokers, investment banking services, or manage other entities monies.
 6. Disclose annually to the Board any revenues or income received by the consultant or any affiliates from investment managers, brokerage firms, investment banks, or other financial services businesses, and

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7. Submit current Uniform Application for Investment Adviser Registration and Report by Exempt Reporting Advisor Form (ADV Parts I and II).
- E. In addition to the above minimum qualifications, respondents must be able to demonstrate to the Board's satisfaction their investment strategy, financial stability, and ability to provide superior investment consulting services which further the Board's mission.

Authority: Montana Constitution, Article VIII, Section 13
Section 2-15-1808, MCA
Section 17-6-201, MCA