

**OAKLAND COUNTY EMPLOYEES' RETIREMENT SYSTEM
AND
OAKLAND COUNTY VEBA**

**REQUEST FOR PROPOSAL FOR
DEFINED BENEFIT PLAN
INVESTMENT CONSULTING SERVICES**

ISSUE DATE: September 2, 2025

PROPOSAL DEADLINE: October 10, 2025 @ 3:00 p.m.

CONTACT: Carly Webster, Retirement Administrator

Sealed Proposals are due by 3:00 pm on October 10, 2025, and must be delivered to the Oakland County Retirement and Deferred Compensation Board, Attn: Carly Webster, 2100 Pontiac Lake Rd., Bldg. 41W, Waterford, MI 48328. Mailed proposals should allow normal mail delivery time to ensure timely receipt of their proposal. Sealed proposals must be in the actual possession of the Retirement Board on or prior to the exact date and time indicated above.

**OAKLAND COUNTY EMPLOYEES' RETIREMENT SYSTEM
&
OAKLAND COUNTY VEBA**

REQUEST FOR PROPOSAL (RFP)

RE: DEFINED BENEFIT INVESTMENT CONSULTING SERVICES

I. INTRODUCTION

A. Purpose

The purpose of this RFP is to solicit proposals from qualified investment consulting firms who can provide general investment consulting services in accordance with the specifications outlined in this RFP. The selected investment consultant will serve as a fiduciary to OCERS and the VEBA and will be required to provide objective, third-party advice and counsel that will enable the Retirement Board to make educated and informed decisions regarding the investment of OCERS and VEBA assets.

B. Retirement System

The Oakland County Employees' Retirement System (OCERS) is a single employer defined benefit public employee retirement system established by Oakland County, Michigan (the "County") on January 1, 1946, under the authority of Section 12a of Act 156 of 1851, as amended (MCL 46.12a). OCERS is a qualified plan and trust under Section 401(a) of the Internal Revenue Code that provides pension benefits to over 1,900 active and retired employees of the County, and their eligible beneficiaries. As of June 30, 2025, OCERS had fund assets totaling approximately \$665 million in market value. OCERS was 96.9% funded, on an actuarial basis, as of September 30, 2024.

C. VEBA

The Oakland County VEBA (the "VEBA") is a single employer Voluntary Employees' Beneficiary Association established by the County on October 1, 2000, under the authority of Act 149 of 1999, as amended (MCL 38.1211 *et seq.*). The VEBA is a qualified plan and trust under Section 501(c)(9) of the Internal Revenue Code that provides health and welfare type benefits to over 4,000 active and retired employees of the County, and their eligible beneficiaries. As of June 30, 2025, the VEBA had fund assets totaling approximately \$1.6 billion in market value. The VEBA was 149.4% funded, on an actuarial basis, as of September 30, 2024.

D. Board of Trustees

OCERS and the VEBA are managed and administered by a Board of Trustees (the "Retirement Board") comprised of nine (9) members, as follows:

- The Chairperson of the County Board of Commissioners, or his/her designee;
- The Chairperson of the Finance Committee, or his/her designee;
- The County Treasurer, or his/her designee;
- The County Executive, or his/her designee;
- Three (3) elected employee members;
- One (1) elected retiree member; and
- One (1) citizen member appointed by the Retirement Board and confirmed by the Board of Commissioners.

The Retirement Board has the statutory authority for the selection of an investment consultant under Section 13(5) of the Public Employee Retirement System Investment Act, Act 314 of 1965, as amended (MCL 38.1133(5)) (hereinafter, “Act 314”). The applicable OCERS and VEBA plan documents also acknowledge the Retirement Board’s authority to retain professional and expert services as contemplated in this RFP.

E. Investments

A primary responsibility of the Retirement Board is to oversee the investment of OCERS and VEBA funds that are used pay benefits to the eligible retirees and beneficiaries. The Retirement Board has established an Investment Subcommittee to assist with the investment and management of the assets of OCERS and the VEBA. The Subcommittee is responsible for making recommendations to the Retirement Board with respect to the overall investment policies and guidelines of OCERS and the VEBA, and with respect to the retention and termination of external investment management firms that invest OCERS and VEBA assets in accordance with their respective mandates. Neither OCERS nor the VEBA currently manages any investments internally.

As outlined in the OCERS and VEBA Investment Policy Statements (attached hereto as **Appendix A**), the Retirement Board has elected to assume moderate levels of risk in pursuing each plan’s investment program. The most recent asset liability and asset allocation studies were conducted in 2022. The resulting strategic portfolio allocations are as follows:

1. OCERS

Asset Class	Minimum	Target	Maximum
Domestic Equity	10.0%	35.0%	50.0%
International Equity	5.0%	15.0%	20.0%
Core Fixed Income	10.0%	27.0%	35.0%
Non-Core Fixed Income	0.0%	8.0%	10.0%
Real Estate	0.0%	10.0%	15.0%
Private Equity	0.0%	5.0%	20.0%
Cash	0.0%	0.0%	10.0%

A detailed breakdown of OCERS’ asset allocation by manager as of June 30, 2025, is attached as **Appendix B**. OCERS’ current rate of return assumption is 7% per year. For the fiscal year ended September 30, 2024, OCERS generated a return of 18.34% net of fees.

2. VEBA

Asset Class	Minimum	Target	Maximum
Domestic Equity	10.0%	35.0%	50.0%
International Equity	5.0%	12.0%	20.0%
Core Fixed Income	20.0%	32.0%	45.0%
Non-Core Fixed Income	0.0%	8.0%	10.0%
Real Estate	0.0%	8.0%	15.0%
Private Equity	0.0%	5.0%	20.0%
Cash	0.0%	0.0%	10.0%

A detailed breakdown of the VEBA's asset allocation by manager as of June 30, 2025, is attached as **Appendix C**. The VEBA's current rate of return assumption is 6.75% per year. For the fiscal year ended September 30, 2024, the VEBA generated a return of 17.55% net of fees.

F. Amendment / Cancellation / Waiver of Non-material Errors

The Retirement Board may amend this RFP at any time, in its sole judgment and discretion, and reserves the right to cancel this RFP at any time and to waive non-material errors and technicalities with respect to all responses.

II. GENERAL PROVISIONS

Any contract awarded as a result of this RFP will include the general terms and conditions provided below. Subcontractors, if any, are also required to comply with these provisions.

A. Contract Term

The awarded contract shall be for a term of five (5) years and may be terminated by the Retirement Board at any time. Prior to the conclusion of the five-year contract term, the Retirement Board will conduct appropriate due diligence in accordance with its Professional Advisor & Service Provider Review Policy and may elect to renew or renegotiate the existing Investment Consulting Services Agreement or enter into a new agreement with another investment consulting firm.

B. Fiduciary Status

The selected consultant must acknowledge and agree that it is an investment fiduciary under Act 314, and that it will discharge its duties under the contract with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims.

C. Personnel

The selected investment consultant shall assign only qualified personnel under the contract. At least one individual consultant shall be designated to travel to all Retirement Board and Investment Subcommittee meetings, at the consultant's expense. The consultant may also be required to periodically participate in an evaluation of the consultant and the personnel assigned under the contract. As part of the evaluation process, consultant may be required to complete a questionnaire and/or attend one or more meetings to discuss the consultant's operations and performance.

Consultant, in its reasonable discretion, may reserve the right to substitute appropriate key personnel to accomplish its obligations under the contract so long as the substituted personnel are equally qualified and skilled in the tasks necessary to accomplish the tasks and services required. The consultant shall provide the Retirement Board with written notice of any proposed changes in key personnel involved in providing services under the contract.

D. Confidentiality and Open Records

The consultant shall agree to maintain the confidentiality of information received from OCERS and the VEBA during the performance of services under the contract. Consultant understands and acknowledges that OCERS and the VEBA will comply with the Michigan Freedom of Information Act, as amended, Act 442 of 1976 (MCL 15.231 *et seq.*) and the Michigan Open Meetings Act, as amended, Act 267 of 1976 (MCL 15.261 *et seq.*), as interpreted by judicial opinions and opinions of the Attorney General of the State of Michigan. Accordingly, the awarded contract and all data and other information generated or obtained in its performance may be subject to public disclosure in accordance with the foregoing laws.

E. Insurance

Consultant represents and warrants that it will, within ten (10) business days of executing the contract, provide OCERS and the VEBA with certificates of insurance or other acceptable proof of the following insurance coverage: (1) standard Workers Compensation insurance covering all personnel who will provide services under the contract; (2) Errors and Omissions insurance; and (3) Commercial General Liability insurance. The foregoing insurance coverages shall be maintained during the term of the contract.

F. Indemnification

The selected consultant shall defend, indemnify, and hold harmless OCERS and the VEBA, the Retirement Board, and staff from and against all claims, actions, suits, demands, proceedings, costs, damages, and liabilities, including without limitation attorneys' fees and court costs, arising out of, connected with, or resulting from any acts or omissions of the consultant or any agent, employee, or subcontractor in the execution or performance of the contract.

G. Applicable Law and Venue

The awarded contract will be governed by and construed in accordance with the laws of the State of Michigan. The venue of any suit arising under the contract shall be limited to any court of competent jurisdiction of Oakland County, Michigan.

H. Sovereign Immunity

Nothing in the awarded contract shall be construed as a waiver of the sovereign or governmental immunity afforded to OCERS, the VEBA, the Retirement Board, and staff under applicable state and federal laws.

I. No Conflicts

The selected consultant shall affirm that it has no actual or potential conflicts of interest in providing services to OCERS and the VEBA and that consultant's provision of services under the contract will not reasonably create the appearance of impropriety.

J. Financial Interests / Gifts

The selected consultant shall represent and warrant that neither it, nor any person or entity that will provide services under the contract, has received compensation from OCERS, the VEBA, or the County for participation in the preparation of specifications for the contract. The consultant shall further represent and warrant that it has not given, offered to give, and does not intend to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to any member of the Retirement Board or staff, or to any County employee in connection with the award of the contract.

III. SCOPE OF SERVICES

The Retirement Board is seeking non-discretionary, full-service, general investment consulting services via this RFP. Responses submitted for other services such as Outsourced Chief Investment Officer (OCIO) services, discretionary consulting services, or specialist advisor services may not be considered.

The Investment Consultant will provide independent, unbiased, proactive research, information, and advice to the Retirement Board and staff, and will work with the Retirement Board and staff to advise and monitor on any and all investment related matters and compliance with OCERS and the VEBA's Investment Policy Statements. The Investment Consultant will also be expected to attend regular monthly Retirement Board meetings and other meetings and events as necessary.

By responding to this RFP you acknowledge and confirm your ability to offer the services listed below. Contractual services for investment consulting will include, but not be limited, to the following:

1. ASSIST THE RETIREMENT BOARD IN FULFILLING ITS FIDUCIARY DUTIES

- Provide services as an investment fiduciary in accordance with all applicable federal and state laws and regulations, as well as with all applicable professional codes and regulations.
- Provide unbiased, transparent, conflict-free advice and opinions to the Investment Subcommittee and Retirement Board on all investment recommendations.
- Assist in the development of strategic and tactical asset allocation recommendations which are approved by the Retirement Board.
- Assist in the development of investment policies, reporting, strategic planning, and pricing analysis for private market investments.
- Report in-person to the Investment Subcommittee and Retirement Board meetings and as otherwise requested on the status of the OCERS and VEBA funds and their multi-period, net of fees performance.
- Assist in the development and amendment of investment related policies, procedures, guidelines, and performance measurement standards, including private markets.
- Provide objective research, information, and advice on investment topics, strategies, and investment managers when requested by the Retirement Board or Investment Subcommittee, or when considered relevant by the consultant.
- Prepare and conduct overview presentations or educational workshops on markets and investment strategies and sub-strategies that include a macro view of key managers, types of investments, trends, and key success factors.
- Monitor, evaluate, and communicate investment portfolio and manager performance as appropriate on an ongoing basis including written monthly and quarterly reports.
- Recommend to the Retirement Board and Investment Subcommittee the retention, additional investment in, redemption, or termination of investment managers.

2. SUPPORT IN DEVELOPMENT AND IMPLEMENTATION OF STRATEGY

- Provide access to a robust suite of investment manager research and other tools that are helpful in constructing portfolios and managing the OCERS and VEBA funds.
- Conduct style factor analysis to support manager selection, portfolio construction and asset allocation decisions.
- Conduct risk budgeting analyses at the portfolio, asset class, and fund levels.
- Provide input on key implementation decisions related to carrying out the decisions of the Retirement Board.
- Conduct fee analysis to help the Retirement Board obtain the best possible fee terms.
- Apprise the Retirement Board of ongoing developments in the portfolios related to markets, asset classes, and/or investment managers.
- Collaborate with the Retirement Board and/or Investment Subcommittee on the due diligence of potential or existing investment managers.
- Deliver useful and informative written updates on economic and capital markets conditions at least monthly.
- Provide analysis and other support as required to assist in the preparation and production of the plans' annual actuarial valuations.
- Support reconciliation of manager performance with fee invoices to ensure accuracy.

3. INVESTMENT POLICIES AND ASSET ALLOCATION

- Work with staff and actuary to understand OCERS and VEBA liabilities.
- Conduct asset liability studies every three to five years, or as needed with changes in benefits or funding policies, or significant deviations from actuarial assumptions (experience study), as a means to help gauge the long-term health of the plans and the desired investment strategies.
- Conduct an annual comprehensive review and analysis of OCERS' and the VEBA's investment policies, including strategic asset allocation and recommended changes, if appropriate.
- Assist in developing an appropriate investment management structure for the funds and each asset class that provides adequate diversification, considering the role of active versus passive management, management styles, and the advisability of various management structures under different market conditions.
- Provide assistance in analyzing the investment characteristics of available asset classes and the risk/return potential of alternative asset mixes.
- Provide information on new investment ideas and assess the application of these ideas with regard to the risk/return targets.

4. MANAGER SELECTION AND MONITORING

- Assist in establishing appropriate qualitative and quantitative selection criteria for reviewing potential candidates and conducting manager searches.
- Provide monitoring and ongoing due diligence of current investment managers.
- Identify and screen potential investment manager candidates, including those requested by the Retirement Board or its Investment Subcommittee.
- Perform comprehensive due diligence including onsite investment and operational due diligence.
- Monitor and advise the Retirement Board of any compliance rule violations or other operational concerns related to existing managers.

5. PERFORMANCE EVALUATION AND ANALYSIS

- Facilitate the development and selection of appropriate performance benchmarks and policy benchmarks for each asset class and each manager.
- Provide timely, comprehensive quarterly performance analysis, attribution analysis, risk analysis, and peer analysis of the individual managers, composites, and total fund.
- Evaluate manager performance and consistency relative to peers, mandate, the investment guidelines, and established benchmarks.
- Conduct ongoing discussions with managers and investment performance and organizational issues (such as changes in ownership, staff, new products, etc.).
- Assist in enhancing the existing manager review process and advise on manager surveillance, retention, and termination.
- Help evaluate any underperformance or irregular performance of managers.

6. PERIODIC ATTENDANCE AT MEETINGS

- Attend Retirement Board (8 per year) and Investment Subcommittee meetings (as needed), to review performance, assess the overall investment program, and make recommendations.
- Consult with staff, as needed, to provide information and ensure completion of tasks.
- Provide education on various investment issues.

7. MONITOR COMPLIANCE WITH ACT 314

- Monitor compliance with Act 314's investment restrictions and asset limitations of the individual managers, composites, and total fund.
- Provide compliance reporting to the Retirement Board no less frequently than quarterly.

8. CASH FLOW AND LIQUIDITY

- Monitor monthly cash flows and liquidity needs and provide rebalancing recommendations, as needed, in accordance with the plans' needs.
- Assist staff with the reconciliation of cash flow payments to and from private market investments, including capital calls.
- Advise the Retirement Board and staff in the creation and maintenance of a liquidity account to ensure adequate coverage of liquidity needs.

IV. MINIMUM QUALIFICATIONS

The consultant must meet all of the following minimum qualifications to be given further consideration. Failure to satisfy each of the minimum qualifications will result in the disqualification of a proposal.

1. The consulting firm must be a registered investment advisor under the Investment Company Act of 1940 and/or the Investment Advisers Act of 1940.
2. The consulting firm must have been in business at least five (5) years.
3. The firm must have a minimum of \$10 billion in total assets under management of which at least two clients are institutional clients with assets of at least \$500 million.
4. The primary consultant assigned to the OCERS account must have a minimum of five (5) years' experience, and have provided general investment consulting services to at least two other public defined benefit retirement plans.
5. Respondents may not currently be providing investment management services to OCERS or the VEBA (does not include investment consulting).
6. The consulting firm must be able to maintain a data processing interface with OCERS's custodial bank by on-line connection or other electronic means.
7. The consulting firm must agree to disclose all conflicts of interest, all sources of revenue, and all affiliations.

V. PROPOSAL DEADLINES, FORMAT, AND INFORMATION

A. Tentative Schedule

The solicitation process for this RFP is anticipated to proceed according to the following schedule:

RFP Approval	August 28, 2025
Issuance	September 2, 2025
Intent to Respond Deadline	September 16, 2025
Deadline for Submission of Questions	September 16, 2025
Responses to Questions Provided	September 30, 2025
Deadline for Submission of Proposals	October 10, 2025
Proposal Opening	October 10, 2025
Review/Evaluation of Proposals	Oct./Nov. 2025
Finalist Interviews	Nov/Dec. 2025
Selection	December 2025
Contract Execution	January 1, 2026

The Retirement Board reserves the right to change the dates in the foregoing schedule without notice.

B. Proposal Requirements

1. Intent to Respond. The Intent to Respond Notice (**Addendum A**) must be submitted via email to websterc@oakgov.com no later than 5:00 pm Eastern Daylight Time (EDT) on September 16, 2025
2. All proposals must be organized as follows:
 - a. Title Page: Please indicate the RFP subject, the name of your organization, address, telephone number, name of account officer, name of contact person and date.
 - b. Table of Contents: Clearly identify the material by section and page number.
 - c. Letter of Transmittal: Limit to one or two pages.
 - i. Briefly state your organization's understanding of the nature of the work.
 - ii. Give the names of the persons who will be authorized to make presentations for your organization, their titles, addresses, and telephone numbers.
 - iii. Certify that you meet minimum qualifications and will meet the scope of services.
 - iv. Confirm whether your company can provide the services listed in Scope of Services and provide the fees for providing such services.
 - v. Highlight any unique characteristics of your organization that you believe should be considered by the Retirement Board.
 - d. Questionnaire: A complete response must include answers to each question posed in Section VII.
 - e. Sample Performance Report: Provide a sample quarterly performance report.

3. Submit one electronic copy of your response via USB drive, and submit five (5) complete hard copy sets of your proposal in a sealed package to:

RFP: Investment Consultant Services (DB)
Oakland County Employees' Retirement System & VEBA
Attn: Carly Webster, Retirement Administrator
2100 Pontiac Lake Rd., Bldg. 41 W
Waterford, MI 48328-0440

Clearly identify on the outside of the sealed proposal package with the proposer's name, return address, and the statement: "Response to RFP, DB Investment Consultant – 2025."

C. Questions

1. The authorized contact person for this RFP is Carly Webster, Retirement Administrator.
2. Questions about the RFP must be submitted in writing by email to websterc@oakgov.com no later than 5:00 pm EDT on September 16, 2025.
3. All questions received by the deadline will be answered in writing and without divulging the source of the inquiry. A copy of all questions and the corresponding responses will be sent, via email, to all parties who indicate an intent to respond to the RFP.
4. Except as otherwise provided herein, no other questions or discussion regarding the contents of this RFP will be permitted.

D. Quiet Period / No Contact

Actual and prospective respondents (including their representatives or agents acting on their behalf) are prohibited from contacting members of the Retirement Board in any manner regarding this RFP. All inquiries regarding the RFP shall be directed as indicated above. This communication restriction exists from the date that the RFP is issued until the contract is awarded.

These communication restrictions shall not apply to:

1. The Retirement Administrator who is identified within the RFP as the primary contact and is responsible for responding to prospective applicant or bidder questions;
2. Communications by a firm under contract to provide services to another client to which a member of the Retirement Board is affiliated, where the communication is made formally to such client and relates to the services for which the firm has been retained; and
3. Communications by the incumbent consulting firm and its employees relating to the provision of investment consulting services to the Retirement Board.

VI. PROPOSAL EVALUATION

A. Pre-Evaluation Review

1. Each proposal package will be date and time-stamped when received. Proposals received after the response deadline specified herein will not be considered.
2. Each proposal package will be inspected to ascertain that it is properly sealed and labeled. Proposals not passing this inspection may be rejected.
3. All proposals will be preliminarily evaluated to determine if they satisfy the minimum qualifications specified in Section IV of this RFP and contain all the required information outlined in Section V. Proposals that fail to meet the foregoing requirements may be rejected.

B. Evaluation Criteria

1. The Retirement Board may consider any and all information related to the Respondent and its proposal.
2. While cost is an important consideration, the Retirement Board is not required to award contracts solely on the basis of quoted fees.
3. It is anticipated that a multitude of factors will be considered as will be evident to bidders from the questions contained in this RFP. Key factors that will be contemplated during the evaluation process will include, without limitation:
 - a. Dedication to exemplary standards of transparency, objectivity, and independence.
 - b. Alignment of the firm's core investment beliefs with those of the Retirement Board.
 - c. Professional reputation as evidenced by references, thought leadership, etc.
 - d. Focus, reliability, responsiveness, and professionalism of the client services team.
 - e. Industry thought leadership as evidenced by white papers or other forms of advocacy.
 - f. Depth of experience working with public plans similar to OCERS and the VEBA.
 - g. Ability to communicate effectively in both written and oral formats.
 - h. Client education, both at meetings and through sponsored events/conferences/symposia.
 - i. Proven ability to admit error or misjudgments and to make necessary adjustments.
 - j. Depth, expertise, and track record of research teams/personnel.
 - k. Ability to quantify results and claims made in RFP responses and oral presentations.
 - l. Compliance with all minimum required qualifications.
 - m. Transparency of organizational business activities and management of potential conflicts of interest.
 - n. Success in developing client-focused allocation strategies and portfolio design.
 - o. Ability to assist in development of investment policies, reporting, strategic planning, and pacing analysis for private market investment activities.
 - p. Ability to help Trustees discern major secular investment and economic trends.
 - q. Ability to adjust portfolio structures proactively amid evolving market conditions.

- r. Portfolio risk management analytics, recommendations, and strategies.
- s. Investment performance of comparable institutional clients.
- t. Historical alpha of active managers recommended to other institutional clients.
- u. Rigor and usefulness of performance analytics and performance reports.
- v. Success in identifying managers with strong performance after selection by clients.
- w. Success in timely elimination of unstable and underperforming managers.
- x. Ability to secure lower fees for clients through portfolio design and negotiation.
- y. Overall fee structure and portfolio efficiency of comparable public plan clients.
- z. Familiarity with Act 314 and other statutory requirements and limitations imposed on Michigan public plans.

4. The Retirement Board will consider the extent to which the above criteria and all related claims are demonstrated, documented, and substantiated in the proposal and subsequent presentations, if any. While these data points may be considered by the Retirement Board, there is no predetermined mechanical formula contemplated for weighing fees against other criteria.

5. The Retirement Board may reject any proposal for any reason.

6. The Retirement Board reserves the right to cancel this RFP at any time.

7. The Retirement Board reserves the right to waive any irregularities contained in a proposal.

8. During evaluation, a Retirement Board representative may contact Respondents and seek clarification regarding the Respondent's proposal. Respondents must respond to such requests within the time and manner specified in the specific request.

9. The Retirement Board will determine if best and final offers are necessary. A request for best and final offers is at the sole discretion of the Retirement Board and will be extended in writing. Award of a contract may be made without extending a request for best and final offers.

10. The Retirement Board, in its sole discretion, may elect to have Respondents provide onsite presentations in Oakland County, Michigan, to discuss their proposals and respond to questions.

VII. QUESTIONNAIRE

A. Firm Information

1. Name of your firm, its address, telephone number, and primary contact for the request for proposal. Give the names of the persons who will be authorized to make presentations for your organization, their titles, addresses, and telephone numbers.

2. Is your organization a subsidiary, parent, or affiliate of any other firm? If so, please describe in detail. Additionally, do any of the affiliates provide any other retirement fund services such as investment management, custodial banking, brokerage, or actuarial work? If you (and/or your affiliate) provide more than one service, how do you protect against conflicts of interest? Have you ever included your own firm, subsidiary or sponsored investment vehicle in a manager search you are conducting?

3. Please provide the percentage of total revenues that come from the categories listed below for each corresponding year:

Categories	2024	2023	2022
DB Plan non-discretionary consulting services	%	%	%
DC Plan non-discretionary consulting services	%	%	%
OCIO/Discretionary consulting services	%	%	%
Investment management services	%	%	%
Other (please describe)	%	%	%

4. What is your firm's mission statement? What is your firm's strongest area of expertise?

5. What is your firm's target market in terms of fund size and type (e.g., public/private plans, DB/DC plans, foundations, endowments, etc.)?

6. What is the number of full-time employees in your firm? How many professionals have left your company in the last 3 years?

7. Explain how the firm controls the quality of services provided to clients. What is the average number of clients assigned per consultant?

8. Within the last 3 years, have there been any significant developments in your company such as changes in ownership, restructuring, personnel reorganization, acquisitions, mergers? Do you anticipate significant changes to your organization in the future?

9. Please provide the address of your corporate headquarters as well as the location of your nearest office in proximity to OCERS and the VEBA?

10. Describe your firm's approach to workplace diversity, equity, and inclusion and how it relates to your company.

11. What public funds experience do you have? Provide a list of all public pension fund and other public fund clients under contract to date.

12. If you have lost any clients in the last 3 years, please explain.

13. Please explain size, composition, and source of your performance measurement data base. What indices are used for relative comparisons? If you do not maintain databases, whose (or what) database do you use?

14. Please describe your familiarity with and experience advising clients subject to the Michigan Public Employee Retirement System Investment Act, Public Act 314 of 1965.

15. Why is your firm uniquely qualified to service our account?

16. Disclose formal and informal business relationships with investment managers or other service providers to pension trust funds.

17. Provide as an attachment to your response a complete copy of your most recent form ADV as filed with the SEC.

B. Consulting Team

1. Submit biographical profiles on the individual(s) who will be assigned to our account. Also, indicate where these individuals are located, and who will attend Retirement Board meetings. Do the individuals have any responsibilities other than providing consulting services, and if so, please specify.

2. How many senior people have left your company in the last three (3) years? How many support staff have left your company in the last three (3) years? Be specific as to experience, performance measurement, manager search, investment policy consulting.

3. How are individual consultants' recommendations to clients reviewed and monitored by your organization? Please describe your peer review process for routine client services, such as performance reporting.

4. Describe your organization's backup procedures in the event that key personnel should leave the firm or be unable to service the OCERS and VEBA accounts. Please provide your company's retention rates for your investment consultants over the past five years.

5. Describe the team's experience with similar work performed for other public pension and retiree health care funds or similarly situated institutional investors.

C. Investment Policy / Asset Allocation

1. Provide an outline of the principal steps you would follow when developing a statement of Investment Policy and Objectives. Does your investment policy and asset allocation analysis fully integrate liabilities with assets? How do you interface with the actuary?

2. Provide an outline of the issues and items that would be covered in a typical investment policy statement. What is your approach with respect to the applicable Act 314 legal parameters/restrictions under which OCERS and the VEBA must operate?

3. What is your approach to development of asset allocation guidelines? Please describe this process in detail, including application of major variables (e.g., risk tolerance, emerging liabilities, time frames, etc.).

4. How often do you recommend a formal review of asset allocation policies?
5. What geographic areas of the world do you consider appropriate for investments?
6. Does your approach include passive strategies such as indexation? If so, please describe your firm's approach on the use of active versus passive management in the public asset classes.
7. What are your firm's capabilities and experience with illiquid or less liquid investments such as real estate, private equity, and other alternative investments? Include factors considered in recommending these asset classes, your approach to benchmarking such investments, and the elements of a due diligence process for assessing the risk control and performance characteristics of these asset classes.

D. Investment Manager Selection and Oversight

1. Describe your investment manager database and your process of gathering and maintaining the data collected. How many firms do you track for manager search purposes? How many managers have made final presentations from the total search data base in the past 24 months?
2. What procedure and criteria do you follow in the selection of investment managers? How long might the process take from start to finish? Please describe, in detail, the optimal role that your firm would like to take in manager presentations to the Retirement Board.
3. Do the consultants who would be assigned to our account actually interface with prospective managers? How much time do they spend in an average week interviewing managers? How many managers a week do our assigned consultants see? Is due diligence performed at all managers' offices? If so, please explain your due diligence process. How are consultants apprised with respect to developments about managers?
4. What tools and decision-making process(es) do you utilize to screen investment managers?
5. Please explain how you would handle reviews of new and existing real estate, private equity, and other alternative investments.
6. Please explain how you would handle specific requests from the Retirement Board or Investment Subcommittee to conduct due diligence on a prospective investment manager.
7. How do you monitor your success in selecting managers? Explain how you measure the level of success of existing managers. Please be specific.
8. What criteria are used to recommend termination of a manager? Do you have a watch list for managers you deem to be unsuccessful? How long are they on the watch list before termination?

9. Please explain how the Retirement Board should evaluate and define the success of your consulting services. Do you believe that when a manager is not performing, including failing to accomplish the performance level projected in the manager's pitch book, that the consultant who presented this manager also be held accountable? If so, how?

10. Do you have any affiliations, relationships, or arrangements with broker-dealers under which you or a related company will benefit if money managers place trades for their clients with such broker-dealers?

11. Does your organization, any affiliate, or any individual employed by your organization or an affiliate pay or receive compensation, finder's fees, or any other benefit from investment managers or third parties? Please describe.

E. Performance Evaluation and Reporting

1. Specifically describe your performance evaluation system and the philosophy behind it. Is your system proprietary or did you obtain it from another supplier? What factors do you consider to be critical in reporting performance?

2. Please explain how you evaluate the performance of investment managers for traditional asset classes and alternative/real estate investment managers.

3. How soon following the end of the reporting period can you have copies of performance evaluation reports to the Retirement Board?

4. Provide a sample of the report(s) you would submit to the Retirement Board. How much variation is available from your standard report? What other reports do you offer?

5. Are all performance reports compliant with AIMR Performance Presentation Standards? GIPS?

5. Describe and illustrate any special indices which your firm has constructed. Are you able to provide custom benchmarks and peer universe rankings? Provide information on the composition of the overall fund universe that you utilize, as well as the universe you would use for OCERS and the VEBA, if different.

6. Do you have the capability of using rates of return calculated by the plans' custodial bank in your performance evaluation reports? Do you calculate performance independent of the custodian? If so, do you reconcile your calculated performance with investment managers' and custodian reports? If yes, please describe.

7. How are performance benchmarks for the total fund, asset classes, and individual managers chosen, constructed, and evaluated?

F. Research

1. Describe the internal structure and organization of your research department. If no separate department exists, describe how this function is performed at your firm.
2. Describe the method in which external resources and sources of information are used in the research process. How does your firm integrate internal and external research?
3. Describe your firm's capabilities and resources related to alternative investments and analysis (public and private markets).
4. Describe your firm's process for monitoring industry and market trends affecting DB plans and their investment strategies, and provide your outlook on current trends and challenges in the DB industry.
5. Please describe your firm's use of Artificial Intelligence (AI).

G. Standards of Conduct

1. Does your firm have a written code of conduct or ethics policy? If so, how is compliance monitored and enforced? Has your firm adopted the CFA Institute's Code of Ethics and Standards of Professional Conduct?
2. Please provide all complaints regarding you and your firm made with any governmental regulatory body together with a resolution of those complaints.
3. Has your firm or any individual officer or employee been the subject of a non-routine SEC investigation within the last ten (10) years? If so, please provide as much detail as possible regarding the specific circumstances and resolution.
4. Has your firm been involved in litigation within the last five years or is there any pending litigation arising with respect to your consulting services? If your answer is yes, explain fully.
5. Has your firm ever been required to pay damages or penalties under any of its existing or former contracts for consulting services? If so, describe the situation.
6. How does your firm identify and manage conflicts of interest? Are there any potential (perceived or actual) conflicts of interest your firm has or may have in providing the services contemplated under this RFP? If so, describe them.
7. Please provide detailed disclosures relating to any lines of business your firm, affiliates, or parent company performs, other than investment consulting.
8. In the last five years has your firm, or anyone in your firm, provided gifts, travel, entertainment, meals, or any other payments (e.g., salary/wages, political contributions,

service fees, etc.) to any current or former member of the Retirement Board, any current or former member of the Oakland County Board of Commissioners, the Oakland County Executive, the Oakland County Treasurer, or any other County elected official? If yes, describe the circumstances in as much detail as possible.

9. List and describe any professional relationship(s) you have had with OCERS, the VEBA, or the County during the past five years.

10. Please identify and describe any past or existing relationships with any member of the Retirement Board, any elected County official, or any Retirement System and VEBA staff members.

H. Subcontracting

1. If your firm utilizes the services of subcontractors in the performance of consulting services, please identify all such subcontractors and describe the skills and qualifications of each subcontractor and their employees. Please clearly state if you do not use subcontractors in your consulting business.

2. Describe what percentage of the relationship will be assigned to subcontractors, if any.

3. If your firm uses subcontractors, confirm that you will accept all liability and indemnify OCERS, the VEBA, and Retirement Board for the acts or omissions of any agents, subcontractors, or other entities that your firm may use in the performance of services to OCERS and the VEBA.

I. Other Services

1. Are you able to provide assistance in the evaluation and selection of a custodial bank? If so, describe your firm's process and experience in conducting analyses of custodians.

2. How many custodial bank searches has your firm assisted in during the past three years?

3. Does your firm, any affiliate, or any individual employed by your firm pay or receive compensation, finder's fees, or any other benefit from custodial banks, investment managers, investment funds, etc.? If so, please describe.

4. Describe the types of training and education you would be able to provide to the Retirement Board and/or staff.

J. Fees

1. Provide a detailed proposal of the fees to be charged for providing the services required under this RFP, for the duration of the 5-year contract term. The proposal should include a fixed fee for all services identified herein, that includes at least one asset/liability study during the contract period. Fees should be inclusive of all travel and additional expenses.

2. Please describe fee arrangements for special projects or services that fall outside the scope of services contemplated in this RFP.
3. Has the firm providing investment consulting services under alternative fee arrangements? If so, please describe.
4. Please identify any special fee arrangements your firm has negotiated with any of the Retirement System's and VEBA's current investment managers. Were the fee arrangements negotiated on behalf of a specific client or are they available to all of your firm's clients?

K. References

1. Please supply a list of your five largest client relationships, including the size of each respective fund.
2. Please provide a list of all public fund clients, including the size of each fund and length of service.
3. Please provide at least three (3) specific references who are current clients for whom work similar to that required under this RFP has been performed. Public sector references are preferred, as are references with experience with the proposed consulting team.

VIII. INSURANCE

The selected Consultant shall be required to maintain, at its own expense, all insurance coverages as set forth below, protecting OCERS, the VEBA, and Retirement Board against loss or claims which may arise out of the consultant's performance or non-performance of services under the terms of the awarded contract. The insurance shall be written for not less than any minimum limits or as specified by applicable law, whichever is greater.

A. Generally

All insurance shall be endorsed, as applicable, and shall contain the following terms, conditions, and/or endorsements:

1. All coverage shall be on a primary, non-contributory basis with any other insurance or self-insurance carried by the County, OCERS, the VEBA, and the Retirement Board.
2. Any and all deductibles or self-insured retentions shall be assumed by and be at the sole risk of the consultant.
3. All policies, except where explicitly prohibited by the insurance carrier, shall be endorsed to include a written waiver of subrogation in favor of OCERS, the VEBA, the Retirement Board, and the County.

4. All insurance policies, with the exception of Workers' Compensation and Errors & Omissions, shall be endorsed to name as additional insured:
 - a. Oakland County Employees' Retirement System;
 - b. Oakland County VEBA;
 - c. Oakland County Retirement and Deferred Compensation Board; and
 - d. Oakland County, Michigan, and its departments, divisions, authorities, boards, committees, and agents.
5. All insurance carriers must be licensed and approved to do business in Michigan and shall have and maintain a minimum A.M. Best rating of A or greater.
6. The selected consultant shall require their vendors, contractors, and subcontractors not protected under the consultant's insurance policies, to procure and maintain insurance with coverages, limits, provisions and/or conditions equivalent to those required of the consultant.
7. Consultant is to provide at least thirty (30) days advance written notice of any material change, non-renewal, or cancellation of required insurance coverages. Certificates of Insurance must be provided no less than ten (10) days prior to commencement of work under the awarded contract.

B. Commercial General Liability Insurance

Commercial General Liability insurance shall be maintained with the following minimum limits:

- \$1,000,000 – Bodily injury & property damage, each occurrence
- \$1,000,000 – Personal & advertising injury limit
- \$1,000,000 – General Aggregate Limit
- \$1,000,000 – Products/Completed Operations Limit

Commercial General Liability insurance shall contain the following minimum coverages:

- Occurrence Form
- Premises/Operations
- Personal and Advertising Injury
- Independent Contractors
- Products and Completed Operations
- Broad Form Contractual Liability (including coverage for obligations assumed in this contract)

C. Workers' Compensation Insurance

Workers' Compensation insurance coverage shall be maintained in accordance with all applicable statutory limits as required under applicable federal and/or state law.

D. Errors & Omissions Liability Insurance

Errors & Omissions insurance coverage shall be maintained with minimum limits of \$1,000,000 each claim and \$5,000,000 aggregate to cover all claims or damages from all acts, errors, or omissions resulting from professional services provided by the selected consultant. If coverage is written on a claims made basis, tail or extended reporting form coverage shall be maintained for a period of no less than three (3) years following the termination of the awarded contract (including any renewals, extensions, or restatements thereof). Evidence of tail or extended reporting period coverage shall be provided to the Retirement Board no less than ten (10) days following the termination of the contract.

IX. OTHER REQUIREMENTS

1. Pre-Qualification: Inviting a proposal does not assume a "pre-qualification" of any proposer.
2. Proposal Preparation Cost: The Retirement Board will not be liable for any costs incurred in preparation of proposals.
3. Certification as to Request for Proposal Content: By submitting a proposal, the proposer certifies that it has fully read and understands the RFP and has full knowledge of the scope, nature, quantity, and quality of work to be performed. Unless specified to the contrary, submitting a proposal will be interpreted as agreement to all provisions in and requirements of the RFP.
4. Additional Information and Instruction: The Respondent shall furnish such additional information as the Retirement Board may reasonably request. The Retirement Board reserves the right to investigate the qualifications of all respondents as it deems appropriate.
5. Negotiations: The Retirement Board reserves the right to conduct pre-contract negotiations with any or all respondents.
6. Proposal Rejection: The Retirement Board reserves the right to reject any or all proposals, the right in its sole discretion to accept the proposal which it considers most favorable to the Retirement Board's interest, and the right to waive minor irregularities in the procedures. The Retirement Board further reserves the right to seek new proposals when such a procedure is in its best interest.
7. Proposals Binding for 180 Days: All proposals submitted shall be binding for one hundred eighty (180) calendar days following the deadline for submission of proposals, to allow for adequate evaluation and negotiation of contract terms.
8. Late Proposals: Proposals received by the Retirement Board after the time specified for proposal opening will not be considered.

9. Completeness: All information required by the RFP shall be supplied to constitute an acceptable proposal. Failure to submit a complete proposal may result in the disqualification of your proposal.

The Retirement Board appreciates the time and effort you will have expended in responding to this RFP.

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ADDENDUM A

Notice of Intent to Respond

The undersigned is in receipt of the Request for Proposal for Defined Benefit Plan Investment Consulting Services (the “RFP”) issued by the Oakland County Employees’ Retirement System and Oakland County VEBA, and on behalf of _____
(Firm Name), does hereby convey its intent to respond to the RFP.

Signed _____

Title _____

Date _____

Email _____

Please submit a signed copy of this Notice of Intent to Respond to websterc@oakgov.com no later than 5:00 p.m. EDT on September 16, 2025.

**OAKLAND COUNTY
EMPLOYEES' RETIREMENT SYSTEM
Defined Benefit
Investment Policy Statement**

I. PURPOSE OF INVESTMENT POLICY STATEMENT

The primary objective of the Oakland County Employees' Retirement System – Defined Benefit Plan (Retirement System or Plan) is to provide eligible employees and their survivors with retirement benefits. Assets will be invested in a diversified portfolio to achieve attractive real rates of return. Following prudent standards for preservation of capital, the goal is to achieve the highest possible rate of return consistent with the Retirement System's tolerance for risk as determined by the Oakland County Retirement and Deferred Compensation Board (Retirement Board or Board) in its role as fiduciary.

The Board is responsible for overseeing the administration of the Retirement System and the investment of its assets. The purpose of this document is to detail the procedures for managing the Retirement System's assets, including the investment objectives, the asset allocation policy, the investment guidelines, and the investment performance standards. The guidelines also incorporate the requirements of the Public Employees Retirement System Investment Act - Michigan Public Act 314 of 1965, MCL § 38.1132 *et seq.*, as amended (Act 314).

Investment objectives are formulated in response to the financial needs of the Plan. Financial needs are influenced by the County's benefit policies, funding objectives, Plan liabilities, and the successful management of Plan assets. Therefore, investment objectives consider the Plan's financial and liquidity needs and the Board's risk tolerances and inflation expectations. The asset allocation policy is developed 1) to attempt to achieve the investment objectives, 2) to maximize expected investment returns with a prudent amount of investment risk, and 3) in recognition that the capital markets may behave differently over any time period, throughout the life of the Plan.

Investment guidelines are established for each manager, consistent with their investment style and Plan return/risk objectives. The guidelines also incorporate state and local investment regulations.

Performance standards are developed as a means of independently determining whether or not investment objectives are being achieved. Each manager has specific performance standards based on their investment style, which incorporate return, risk and time horizon. Conformance to these standards and policies is closely monitored and evaluated in an unbiased analysis each quarter. This analysis includes an evaluation of each manager's contribution to the achievement of overall Plan investment objectives.

II. DELEGATION OF RESPONSIBILITIES

A. Retirement Board

The Board acknowledges its responsibility as a fiduciary to the Retirement System. In this regard, the Board must act prudently and for the exclusive interest of the Retirement System's participants and beneficiaries.

More specifically, the Board's responsibilities include:

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Oakland County Employees' Retirement System – Investment Policy Statement

1. Comply with the provisions of pertinent federal, state, and local laws and regulations, including Act 314.
2. Maintain an Investment Policy Statement (IPS), which includes the strategic investment policy for the Retirement System (asset allocation). The Board will periodically review these policies in light of any changes in actuarial variables and market conditions.
3. With the advice of the Investment Consultant, monitor and review the investment performance of the Retirement System to determine achievement of goals and compliance with policy guidelines.
4. With the advice of the Investment Consultant, monitor and evaluate Manager performance.
5. When the Board is considering the engagement of a new investment professional, the Board may perform due diligence site visits to the offices of the prospective firms.

B. Investment Sub-Committee

The Board has established an Investment Sub-Committee that shall meet and review the operation of the investment program, update the Board, and make recommendations on material matters such as recommendations on the hiring or terminating of investment managers. As such, it shall make recommendations on defining and implementing the investment objectives and policies for the Retirement System.

More specifically, the Investment Sub-Committee's responsibilities include:

1. Comply with the provisions of pertinent federal, state, and local laws and regulations, including Act 314.
2. With the assistance of the Investment Consultant, periodically conduct asset allocation studies to select and recommend to the Board the strategic investment policy for the Retirement System (asset allocation).
3. With the assistance of the Investment Consultant, conduct manager searches and select and recommend to the Board qualified investment managers to manage the Retirement System's assets.
4. With the assistance of the Investment Consultant, monitor the costs associated with administering and managing the Retirement System's assets.
5. Establish effective communication procedures between the service providers, the Retirement System's staff, and the Board.
6. Conduct Investment Consultant searches/reviews as needed.
7. In extraordinary circumstances, the Sub-Committee may act on behalf of the Board, and shall provide prompt notification to the Board of such actions.

C. Investment Consultant

The Investment Consultant's (Consultant) role is that of an advisor to the Retirement System, enabling the Board and Investment Sub-Committee to make well-informed and timely decisions regarding the investment of the Retirement System's assets. The Consultant acknowledges its responsibilities as a fiduciary under Act 314 and must act in the exclusive interest of the Retirement System.

More specifically, the Consultant's responsibilities include:

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Oakland County Employees' Retirement System – Investment Policy Statement

1. Acknowledge in writing that they are a prudent expert for the Retirement System with all attendant duties and responsibilities, including without limitation, fiduciary responsibility.
2. Assist the Board/Sub-Committee in strategic planning for the Retirement System. Provide objective advice and counsel that will enable the Board to make well-informed and well-educated decisions regarding the investment of the Retirement System's assets.
3. Assist the Board/Sub-Committee in the development and periodic review of the Investment Policy Statement and ensure the statement properly reflects the Board's investment objectives, including tolerance for risk, return goal, funded status, administrative expenses, and overall investment policies associated with administering the Plan.
4. Assist the Board/Sub-Committee in the development and periodic review of the asset allocation policy and investment manager structure to provide adequate diversification with respect to the number and types of asset classes and investment managers to be retained.
5. Assist the Board in its due diligence and search for new investment manager(s) utilizing the appropriate data bases, both externally and proprietary.
6. Assist the Board in the development and review of performance standards and guidelines with which the Board can measure each investment manager's progress. These performance standards and guidelines will be outlined in each separate investment manager's addendum.
7. Monitor and advise the Board/Sub-Committee of compliance with the Investment Policy Statement, including the Plan's compliance with asset/security limits under Act 314 and managers' compliance with investment guidelines (based on the guidelines set forth in this IPS and the Consultant's internal review policies; including but not limited to legal and financial information provided by the managers).
8. Comply with the reporting requirements as outlined in Section VIII – Communications of the Investment Policy Statement.
9. Provide general consulting services as requested by the Board/Sub-Committee and as deemed appropriate by the Investment Consultant, including, 1) attend meetings at the request of the Board/Sub-Committee, 2) act as a liaison between investment managers and the Board, 3) assist the Board/Sub-Committee with the management of the cash flow/liquidity needs, and 4) perform other duties as may be mutually agreed upon in writing.

D. Investment Managers

The investment managers (Managers) will acknowledge their responsibility as an investment fiduciary under Act 314. Each investment manager will have full discretion to make all investment decisions for the assets placed under their control, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this statement.

More specifically, the Managers' responsibilities include:

1. Acknowledge in writing to their fiduciary responsibility to comply fully with the guidelines set forth in the Investment Policy Statement and addendums.
2. Perform their investment management duties with respect to the assets with the same care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with such matters would use in the conduct of a similar enterprise with similar aims.
3. Exercise investment discretion in regard to buying, managing, and selling assets held in the portfolio, subject to any limitations contained in this Investment Policy Statement.

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Oakland County Employees' Retirement System – Investment Policy Statement

4. Seek to obtain “best execution” with respect to portfolio transactions.
5. Vote all proxies consistent with the guidelines contained in the Manager’s Investment Management Agreement or similar document. Investment managers shall provide documentation regarding the disposition of proxy solicitations to the Board upon request.
6. Comply with the reporting requirements as outlined in Section VIII – Communications of the Investment Policy Statement.
7. Attend Board/Sub-Committee meetings at the request of the Board.
8. Acknowledge receipt and acceptance of this IPS by signing Addendum A.
9. Michigan law shall apply to all investment manager contracts where individual investment manager agreements are negotiated.

E. Custodian

The custodian (Custodian) will provide safekeeping and accounting services for the Retirement System.

More specifically, the Custodian’s responsibilities include:

1. Hold securities and other investments in the name of the Plan or in the name of the nominee custodian or in bearer form.
2. Collect interest payments, dividends, and any other income payable to the Plan in a timely manner and invest the proceeds as directed by the Board or its designees.
3. Settle trades in a timely manner upon the receipt of proper, executable trade instructions.
4. Notify investment managers of corporate actions, including mergers, tender offers, stock splits and capital changes that require a decision.
5. Comply with the reporting requirements as outlined in Section VIII – Communications of the Investment Policy Statement.
6. Perform other services for the Board as are customary and appropriate for custodians, including but not limited to sweeping daily cash balances into appropriate investment funds and accepting instructions from the designated individuals.

F. Actuary

The Actuary (Actuary) provides an accounting of the assets and liabilities of the Retirement System.

More specifically, the Actuary’s responsibilities include:

1. Perform periodic actuarial valuations to determine liability and funding requirements for the Retirement System.
2. Calculate the benefits for the participants.
3. Monitor the funding progress of the Retirement System over time.
4. Make appropriate recommendations regarding actuarial assumptions to be used for valuations.

G. Retirement Administrator

The Retirement Administrator provides oversight and manages the daily operations of the Retirement System.

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Oakland County Employees' Retirement System – Investment Policy Statement

More specifically, the Retirement Administrator's responsibilities include:

1. Inform the Retirement System of any significant events that impact the Retirement System and recommend changes in approved policy, guidelines, and objectives.
2. Manage the day-to-day operations for the Retirement System.
3. Act as the liaison between the Board, Investment Sub-Committee, members, and the services providers responsible for managing and overseeing the Retirement System's assets.
4. Assume other duties as may be described in this policy, applicable state and federal laws, or as the Retirement System may otherwise delegate and request.

H. Treasurer

The County Treasurer, by virtue of the office, is the treasurer of the Retirement System. The Treasurer's office will act as a contact for the Retirement System's custodian.

III. INVESTMENT PHILOSOPHY AND OBJECTIVES

The Board's investment philosophy combines preservation of capital with moderate risk-taking in exchange for moderate investment returns – attempting to optimize the return per unit of risk. This philosophy is supported by the Retirement System's long investment time horizon. The Board follows the following key tenets, 1) broadly diversify the Plan's assets across stocks, bonds, and other investments (within the constraints of Act 314), 2) further diversify the Plan's assets across the broader asset classes (as defined in Section IV), managers, styles, and other factors, and 3) select qualified investment managers and continually monitor their performance.

The objectives of the Retirement System have been established in conjunction with a comprehensive review of the current and projected financial requirements as presented in an asset liability study performed in 2022 by AndCo Consulting. The objectives include:

- To be able to pay all benefit and expense obligations when due.
- To earn an average, annual return equal to or greater than the actuarial assumed rate of return over five-year rolling periods.
- To maintain the purchasing power of the current assets and all future contributions by producing positive real rates of return on Plan's assets.
- To achieve and maintain a fully funded status.
- To control costs of administering the Retirement System and managing the investments.
- To meet all statutory requirements of the State of Michigan.

The Plan's objectives are based on the expected returns under the strategic asset allocation policy, which follows. This asset allocation policy should result in normal fluctuation in the Plan's actual return, year to year. The expected level of volatility (return fluctuation) is appropriate given the Plan's current and expected tolerance for short-term return fluctuations. Appropriate diversification of Plan assets will reduce the Plan's investment return volatility. All aspects of this statement should be interpreted in a manner consistent with the Retirement System's objectives.

The Board believes that responsible investing is important and recognizes the value of Environmental, Social, and Governance (ESG) factors. The Board also understands their fiduciary duty to the participants and beneficiaries and believes that the integration of ESG factors into the investment process may enhance overall results. However, the investment managers will have full

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Oakland County Employees' Retirement System – Investment Policy Statement

discretion over the portfolios they manage on behalf of the Retirement System. The Board has adopted the following actions to further the advancement of ESG within the overall management of Plan's assets.

1. Assess a manager's integration of ESG factors into their investment process as part of the Board's overall investment manager evaluation process.
2. Promote the voting of corporate proxies in an ESG favorable manner.
3. Request investment managers provide an ESG score for the equity portfolios they manage on behalf of the Retirement System/VEBA and a corresponding score for the manager's primary market index each quarter.

IV. TARGET ALLOCATIONS

This strategic asset allocation policy is consistent with the achievement of the Plan's financial needs and overall investment objectives. Asset classes are selected based on their expected long-term returns, individual reward/risk characteristics, correlation with other asset classes, manager roles, and fulfillment of the Plan's long-term financial needs. Conformance with statutory investment guidelines is also considered.

The Board established an allocation range for each asset class in recognition of the need to vary exposure within and among different asset classes, based on investment opportunities and changing capital market conditions. The Board selected the target allocation for each asset class based on the Plan's current investments and present market conditions. The Board intends to review these allocation targets at least annually, focusing on changes in the Plan's financial needs, investment objectives, and asset class performance.

Asset Class*	Minimum	Target	Maximum
Domestic Equity	10.0%	35.0%	50.0%
International Equity	5.0%	15.0%	20.0%
Core Fixed Income	10.0%	27.0%	35.0%
Non-Core Fixed Income	0.0%	8.0%	10.0%
Real Estate	0.0%	10.0%	15.0%
Private Equity**	0.0%	5.0%	20.0%
Cash	0.0%	0.0%	10.0%

**Targets and ranges are based on the total market value of the Plan assets.*

***Unfunded allocations to Private Equity will be allocated to Domestic Equity.*

The Board's attitude regarding the Retirement System's assets combines both the preservation of capital and moderate risk-taking. The Board recognizes that risk (i.e., the uncertainty of future events), volatility (i.e., the potential for variability of asset values), and the potential of loss in purchasing power (due to inflation) are present to some degree with all types of investment vehicles. While high levels of risk are to be avoided, the assumption of a moderate level of risk is warranted and encouraged in order to allow the opportunity to achieve satisfactory results consistent with the objectives and character of the Retirement System. The policies and restrictions contained in this statement should not impede the investment manager to attain the overall Retirement System objectives, nor should they exclude the investment manager from appropriate investment opportunities.

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Oakland County Employees' Retirement System – Investment Policy Statement

The Board recognizes that from time to time the asset mix will deviate from the targeted percentages due to market conditions. A range has been established for each asset class to control the risk and maximize the effectiveness of the Retirement System's asset allocation strategy, while avoiding unnecessary turnover at the security level. The Investment Consultant will monitor the aggregate asset allocation of the portfolio, and notify the Board to rebalance to the target asset allocations based on market conditions. To minimize turnover, an asset class that is outside of its allowable range, will be rebalanced towards its target allocation in a prudent manner. When possible, contributions and distributions will be utilized to maintain allocations within policy ranges and reduce transaction costs. The Board does not intend to exercise short-term changes to the target allocations.

V. INVESTMENT PERFORMANCE OBJECTIVES

The following performance measures will be used as objective criteria for evaluating the effectiveness of the Plan and Managers.

A. Total Portfolio Performance

1. The Plan's overall performance will be compared to the return of a policy index over rolling three (3) and five (5) year periods. The policy index is constructed using the Plan's target asset class allocations and market indices representing those asset classes (see Appendix A).
2. On a relative basis, it is expected that the Plan's performance will rank in the top 50th percentile of the appropriate peer universe over rolling three (3) and five (5) year periods.
3. On an absolute basis, the objective is that the Plan's return will equal or exceed the actuarial assumed rate of return. This absolute return objective will be evaluated in the context of the prevailing market conditions.

B. Asset Class/Composite Performance

The combined segments within an asset class will be compared to the return of a policy index over rolling (3) and five (5) year periods. The policy index is constructed using the Plan's target segment allocations within the asset class and market indices representing those segments (see Appendix A). All Composites are expected to rank in the top 50th percentile of the appropriate peer universe over rolling three (3) and five (5) year periods.

C. Other Assets Performance

The overall objective of the Other Assets or alternatives portion of the portfolio, if utilized, is to reduce the overall volatility of the portfolio and/or enhance returns. This portion of the portfolio will be measured against a blended benchmark of equity, fixed income, cash and other market indices (the percentages will be based on the strategies included in the portfolio).

D. Manager Performance

Individual managers will be compared to a benchmark based on their investment strategy. All portfolios are expected to rank in the top 50th percentile of the appropriate peer universe over three (3) and five (5) year time periods. (Each separate account manager's performance objectives are included within their addendum to this IPS.)

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Oakland County Employees' Retirement System – Investment Policy Statement

VI. INVESTMENT GUIDELINES

A. Overall

All investment guidelines and restrictions of the State of Michigan are incorporated by reference, including, but not limited to: Michigan Public Act 314 of 1965, as amended.

B. Pooled Funds

Investments made by the Plan may include pooled funds. For purposes of this policy pooled funds may include, but are not limited to, mutual funds, commingled funds, exchange-traded funds, limited partnerships and limited liability corporations. Pooled funds may be governed by separate documents which may include investments not expressly permitted in this IPS. In the event of investment by the Retirement System into a pooled fund, the Retirement System will adopt the prospectus or governing policy of that fund as that manager's addendum to this Investment Policy Statement.

C. Alternative Investments

The Retirement System may invest in investments that would otherwise not be qualified under these Investment policies, to the extent permitted under MCL Section 38.1140d (informally referred to as the "basket clause").

D. Collective Investment Restrictions and Correcting Excess/Deficient Investments

All Managers are restricted individually, and collectively, by this IPS. The Managers shall coordinate periodically with the Consultant, who shall (among other things) assure collective compliance with this IPS. In the event any investment based on changes in the market value of the Retirement System assets, causes the Retirement System to exceed or fall short of any range prescribed in this IPS, the assets may be reallocated in a prudent manner to comply with PA 314 and the strategic allocation and ranges outlined in this IPS.

E. Guidelines for Equity Investments

1. Not more than 70% of the Retirement System's assets may be invested in global stocks.
2. The Retirement System shall not invest more than 5% of their assets in any one corporation.
3. Additional guidelines will be outlined for separate account managers in addendums to this Investment Policy Statement. For mutual funds and collective trusts guidelines will be outlined in their prospectus or offering document.

F. Guideline for Fixed Income Investments

1. Not more than 15% of the Retirement System's assets may be invested in below investment grade bonds. Investment grade is defined as securities graded in the top four (4) major grades as determined by two (2) national rating services.
2. Additional guidelines will be outlined for separate account managers in addendums to this Investment Policy Statement. For mutual funds and collective trusts guidelines will be outlined in their prospectus or offering document.

VII. CRITERIA FOR INVESTMENT MANAGER REVIEW

The Consultant will monitor the performance for each component of the Retirement System on a monthly basis utilizing a time-weighted rate of return calculation. Certain managers, based on their individual investment mandates, may report results using an internal rate of return calculation. The

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Oakland County Employees' Retirement System – Investment Policy Statement

Consultant will review investment manager information monthly and will provide updates to the Board as necessary.

The Investment Consultant will evaluate each investment manager as outlined in this IPS along with each investment manager's Addendum A, and will then report to the Board.

The Board may initiate a change in investment manager at any time based upon performance results, a change in investment needs, a lack of confidence based upon the evaluation of the investment manager's results, or for any other or no reason at all.

The Board wishes to adopt standards by which judgments of the ongoing performance of a Manager may be made. The Board will rely on the Investment Consultant to monitor carefully the Retirement System's investment managers on several key indicators, including, but not limited to, those outlined below:

- Style consistency or purity drift from the mandate.
- Management turnover in portfolio team or senior management.
- Investment process change, including varying the index or benchmark.
- Failure to adhere to the Investment Policy Statement, Investment Manager Addendum or other compliance issues.
- Investigation of the firm by the Securities and Exchange Commission (SEC) or other regulatory agency.
- Significant asset flows into or out of the company or strategy.
- Merger or sale of firm.
- Fee increases outside of the competitive range.
- Servicing issues – key personnel stop servicing the account without proper notification.
- Failure to attain a majority vote of confidence by the Board.

Nothing in this section shall limit or diminish the Board's right to terminate the Manager at any time.

VIII. COMMUNICATIONS

A. Monthly –

Custodian: On a monthly basis, the Custodian will supply an accounting statement that will include a summary of all receipts and disbursements and the cost and the market value of all assets.

Consultant: On a monthly basis, the Consultant may supply a performance/allocation summary (Flash Report) for the Plan and individual managers.

Managers: On a monthly basis, the Managers may supply a performance/transaction summary for the portion of the assets they manage on the Retirement System's behalf.

B. Quarterly –

Consultant: On a quarterly basis, the Consultant will provide a quarter report that includes a summary of the capital markets, portfolio allocations, cash flow analysis/financial reconciliation, Plan and manager performance versus the appropriate policy index and peer universe, and other pertinent information. The Consultant's report will be the main report the Board utilizes when

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Oakland County Employees' Retirement System – Investment Policy Statement

evaluating the overall investment results of the Retirement System and individual managers. The Consultant will reconcile performance, holdings, and security pricing data with the Retirement System's custodial bank and when necessary, staff reports/data. In the event of a discrepancy between a Manager and the custodial bank, the custodian's value will be used.

Managers: On a quarterly basis, the Managers will confirm in writing their compliance with the security restrictions outlined in their Investment Manager Addendum. In addition, the Managers will deliver a quarterly report that summarizes the portfolio's performance and holdings. The manager may also include market and economic data and forecasts, portfolio attribution, and other pertinent information. Written reports should be delivered to the Board, staff, and Consultant within 30 days of the end of the quarter. A copy of the written report shall be submitted to the person designated by the Oakland County Employees' Retirement System, and shall be available for public inspection.

C. As Necessary –

Consultant and Managers: The Consultant and Managers shall promptly notify the Board in writing of all significant matters pertaining to the investment of the Retirement System's assets. This includes, but not limited to, any material change in ownership, organizational structure, financial condition, senior staffing and management, or the management of the Manager's portfolio. Managers shall also notify the Consultant of these matters.

Managers: Managers will provide immediate written and telephone notice to the Board and Consultant of any significant market related or non-market related event.

In addition, if a Manager holds securities, that complied with section VI at the time of purchase, which subsequently exceed the applicable limit or do not satisfy the applicable investment standard, such excess or noncompliant investments may be held until it is economically feasible to dispose of such investment in accordance with the prudent person standard of care, but no additional investment may be made unless authorized by law or ordinance. In addition, an action plan outlining the investment 'hold or sell' strategy shall be provided to the Board immediately.

IX. COMPLIANCE

It is the direction of the Board that the Plan assets are held by a third party Custodian (where applicable), and that all securities purchased by, and all collateral obtained by the Plan shall be properly designated as Plan assets. No withdrawal of assets, in whole or in part, shall be made from safekeeping except by an authorized member of the Board or their designee.

At the direction of the Board, operations of the Plan shall be reviewed by independent certified public accountants as part of any financial audit periodically required. Compliance with the Board's internal controls shall be verified. These controls have been designed to prevent losses of assets that might arise from fraud, error, or misrepresentation by third parties or imprudent actions by the Board or employees of the Plan sponsor, to the extent possible.

The proxy votes must be exercised for the exclusive benefit of the participants of the Plan. Each Investment Manager shall provide the Board with a copy of their proxy voting policy for approval. On a regular basis, at least annually, each manager shall report a record of their proxy vote. Additionally, any proxy votes required for plan assets, such as commingled funds, collective trusts or mutual funds, shall be voted upon by the Treasurer/Finance Officer after consultation with the Investment Consultant and/or the Board.

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X. REVIEW AND AMENDMENTS

It is the Board's intention to review this document at least annually subsequent to the actuarial report and to amend this statement to reflect any changes in philosophy, objectives, or guidelines. In this regard, the Investment Manager's interest in consistency in these matters is recognized and will be taken into account when changes are being considered. If, at any time, the Investment Manager feels that the specific objectives defined herein cannot be met, or the guidelines constrict performance, the Board should be notified through their consultant after the Investment Manager discusses the issues with the investment consultant. By signing this document, the Chairperson attests that this policy has been recommended by the Investment Consultant, reviewed by the Plan's legal counsel for compliance with applicable law, and approved by the Board.

ADOPTED BY RESOLUTION ON SEPTEMBER 26, 2024

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Oakland County Employees' Retirement System – Investment Policy Statement

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Asset Allocation Implementation by Investment Manager Styles

Asset Class*	Minimum	Target	Maximum	Benchmark Index
Large Cap Domestic Equity	10%	20.0%	35%	S&P 500 Index
Mid Cap Domestic Equity	0%	7.5%	12%	Russell Mid Cap Index
Small Cap Domestic Equity	0%	7.5%	12%	Russell 2000 Index
International Equity	5%	15.0%	20%	MSCI-ACWI Ex. US
Core Fixed Income	10%	27.0%	35%	Bloomberg U.S. Aggregate
Non-Core Fixed Income	0%	8.0%	10%	Based on Strategy
Core Real Estate	0%	5.0%	10%	NCREIF Fund Index - ODCE
Non-Core Real Estate	0%	5.0%	10%	NCREIF Fund Index - CEVA
Private Equity**	0%	5.0%	20%	Russell Microcap Index
Cash*	0%	0.0%	10%	90-Day T-Bills

**Targets and ranges are based on the total market value of the Plan assets.*

***Unfunded allocations to Other Private Equity will be allocated to Domestic Equity.*

Total Fund Policy Index: 20.0% S&P 500 Index, 7.5% Russell Midcap Index, 7.5% Russell 2000 Index, 15.0% MSCI-All Country World ex U.S. Index, 27.0% Bloomberg U.S. Aggregate, 8.0% Bloomberg Multiverse Index, 10.0% NCREIF ODCE, and 5.0% Russell Microcap(the S&P 500 Index will be increased until the Private Equity allocation has been fully funded).

Total Equity Policy Index: 42.5% S&P 500 Index, 13.0% Russell Midcap Index, 13.0% Russell 2000 Index, and 31.5% MSCI-All Country World Index ex U.S.

Total Fixed Income Policy Index: 77.0% Bloomberg U.S. Aggregate Bond Index and 23.0% Bloomberg Multiverse Index.

Other composites may be used to evaluate segments for the Total Fund; policy indexes for these composites will be constructed using this format and will be expected to performance in a similar fashion.

**OAKLAND COUNTY
EMPLOYEES' RETIREMENT SYSTEM
Voluntary Employees' Beneficiary
Association Trust (VEBA)**

Investment Policy Statement

I. PURPOSE OF INVESTMENT POLICY STATEMENT

The County of Oakland, Michigan has established a tax-exempt trust pursuant to Section 501(c) (9) of the Internal Revenue Code and pursuant to P.A. 149 of 1999, the Public Employee Health Care Fund Investment Act. This trust became effective October 1, 2000.

The primary objective of the Oakland County Employees' Retirement System – Voluntary Employees' Beneficiary Association Trust (VEBA) is to provide eligible employees and their survivors with health care benefits. Assets will be invested in a diversified portfolio to achieve attractive real rates of return. Following prudent standards for preservation of capital, the goal is to achieve the highest possible rate of return consistent with the VEBA's tolerance for risk as determined by the Oakland County Retirement and Deferred Compensation Board (Retirement Board or Board) in its role as fiduciary.

The Board is responsible for overseeing the administration of the VEBA's Trust and the investment of its assets. The purpose of this document is to detail the procedures for managing the VEBA's assets, including the investment objectives, the asset allocation policy, the investment guidelines, and the investment performance standards. The guidelines also incorporate the requirements of the Public Employees Retirement System Investment Act - Michigan Public Act 314 of 1965, MCL § 38.1132 *et seq.*, as amended (Act 314).

Investment objectives are formulated in response to the financial needs of the Plan. Financial needs are influenced by the County's benefit policies, funding objectives, Plan liabilities, and the successful management of Plan assets. Therefore, investment objectives consider the Plan's financial and liquidity needs and the Board's risk tolerances and inflation expectations. The asset allocation policy is developed 1) to attempt to achieve the investment objectives, 2) to maximize expected investment returns with a prudent amount of investment risk, and 3) in recognition that the capital markets may behave differently over any time period, throughout the life of the Plan.

Investment guidelines are established for each manager, consistent with their investment style and Plan return/risk objectives. The guidelines also incorporate state and local investment regulations.

Performance standards are developed as a means of independently determining whether or not investment objectives are being achieved. Each manager has specific performance standards based on their investment style, which incorporate return, risk and time horizon. Conformance to these standards and policies is closely monitored and evaluated in an unbiased analysis each quarter. This analysis includes an evaluation of each manager's contribution to the achievement of overall Plan investment objectives.

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Oakland County Voluntary Employees' Beneficiary Association (VEBA)– Investment Policy Statement

II. DELEGATION OF RESPONSIBILITIES

A. Retirement Board

The Board acknowledges its responsibility as a fiduciary to the VEBA. In this regard, the Board must act prudently and for the exclusive interest of the VEBA's participants and beneficiaries.

More specifically, the Board's responsibilities include:

1. Comply with the provisions of pertinent federal, state, and local laws and regulations, including Act 314.
2. Maintain an Investment Policy Statement (IPS), which includes the strategic investment policy for the VEBA (asset allocation). The Board will periodically review these policies in light of any changes in actuarial variables and market conditions.
3. With the advice of the Investment Consultant, monitor and review the investment performance of the VEBA to determine achievement of goals and compliance with policy guidelines.
4. With the advice of the Investment Consultant, monitor and evaluate Manager performance.
5. When the Board is considering the engagement of a new investment professional, the Board may perform due diligence site visits to the offices of the prospective firms.

B. Investment Sub-Committee

The Board has established an Investment Sub-Committee that shall meet and review the operation of the investment program, update the Board, and make recommendations on material matters such as recommendations on the hiring or terminating of investment managers. As such, it shall make recommendations on defining and implementing the investment objectives and policies for the VEBA.

More specifically, the Investment Sub-Committee's responsibilities include:

1. Comply with the provisions of pertinent federal, state, and local laws and regulations, including Act 314.
2. With the assistance of the Investment Consultant, periodically conduct asset allocation studies to select and recommend to the Board the strategic investment policy for the VEBA (asset allocation).
3. With the assistance of the Investment Consultant, conduct manager searches and select and recommend to the Board qualified investment managers to manage the VEBA's assets.
4. With the assistance of the Investment Consultant, monitor the costs associated with administering and managing the VEBA's assets.
5. Establish effective communication procedures between the service providers, the VEBA's staff, and the Board.
6. Conduct Investment Consultant searches/reviews as needed.
7. In extraordinary circumstances, the Sub-Committee may act on behalf of the Board, and shall provide prompt notification to the Board of such actions.

C. Investment Consultant

The Investment Consultant's (Consultant) role is that of an advisor to the VEBA, enabling the Board and Investment Sub-Committee to make well-informed and timely decisions regarding the

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Oakland County Voluntary Employees' Beneficiary Association (VEBA)– Investment Policy Statement

investment of the VEBA's assets. The Consultant acknowledges its responsibilities as a fiduciary under Act 314 and must act in the exclusive interest of the VEBA.

More specifically, the Consultant's responsibilities include:

1. Acknowledge in writing that they are a prudent expert for the VEBA with all attendant duties and responsibilities, including without limitation, fiduciary responsibility.
2. Assist the Board/Sub-Committee in strategic planning for the VEBA. Provide objective advice and counsel that will enable the Board to make well-informed and well-educated decisions regarding the investment of the VEBA's assets.
3. Assist the Board/Sub-Committee in the development and periodic review of the Investment Policy Statement and ensure the statement properly reflects the Board's investment objectives, including tolerance for risk, return goal, funded status, administrative expenses, and overall investment policies associated with administering the Plan.
4. Assist the Board/Sub-Committee in the development and periodic review of the asset allocation policy and investment manager structure to provide adequate diversification with respect to the number and types of asset classes and investment managers to be retained.
5. Assist the Board in its due diligence and search for new investment manager(s) utilizing the appropriate data bases, both externally and proprietary.
6. Assist the Board in the development and review of performance standards and guidelines with which the Board can measure each investment manager's progress. These performance standards and guidelines will be outlined in each separate investment manager's addendum.
7. Monitor and advise the Board/Sub-Committee of compliance with the Investment Policy Statement, including the Plan's compliance with asset/security limits under Act 314 and managers' compliance with investment guidelines (based on the guidelines set forth in this IPS and the Consultant's internal review policies; including but not limited to legal and financial information provided by the managers).
8. Comply with the reporting requirements as outlined in Section VIII – Communications of the Investment Policy Statement.
9. Provide general consulting services as requested by the Board/Sub-Committee and as deemed appropriate by the Investment Consultant, including, 1) attend meetings at the request of the Board/Sub-Committee, 2) act as a liaison between investment managers and the Board, 3) assist the Board/Sub-Committee with the management of the cash flow/liquidity needs, and 4) perform other duties as may be mutually agreed upon in writing.

D. Investment Managers

The investment managers (Managers) will acknowledge their responsibility as an investment fiduciary under Act 314. Each investment manager will have full discretion to make all investment decisions for the assets placed under their control, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this statement.

More specifically, the Managers' responsibilities include:

1. Acknowledge in writing to their fiduciary responsibility to comply fully with the guidelines set forth in the Investment Policy Statement and addendums.
2. Perform their investment management duties with respect to the assets with the same care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person

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acting in a similar capacity and familiar with such matters would use in the conduct of a similar enterprise with similar aims.

3. Exercise investment discretion in regard to buying, managing, and selling assets held in the portfolio, subject to any limitations contained in this Investment Policy Statement.
4. Seek to obtain “best execution” with respect to portfolio transactions.
5. Vote all proxies consistent with the guidelines contained in the Manager’s Investment Management Agreement or similar document. Investment managers shall provide documentation regarding the disposition of proxy solicitations to the Board upon request.
6. Comply with the reporting requirements as outlined in Section VIII – Communications of the Investment Policy Statement.
7. Attend Board/Sub-Committee meetings at the request of the Board.
8. Acknowledge receipt and acceptance of this IPS by signing Addendum A.
9. Michigan law shall apply to all investment manager contracts where individual investment manager agreements are negotiated.

E. Custodian

The custodian (Custodian) will provide safekeeping and accounting services for the Retirement System.

More specifically, the Custodian’s responsibilities include:

1. Hold securities and other investments in the name of the Plan or in the name of the nominee custodian or in bearer form.
2. Collect interest payments, dividends, and any other income payable to the Plan in a timely manner and invest the proceeds as directed by the Board or its designees.
3. Settle trades in a timely manner upon the receipt of proper, executable trade instructions.
4. Notify investment managers of corporate actions, including mergers, tender offers, stock splits and capital changes that require a decision.
5. Comply with the reporting requirements as outlined in Section VIII – Communications of the Investment Policy Statement.
6. Perform other services for the Board as are customary and appropriate for custodians, including but not limited to sweeping daily cash balances into appropriate investment funds and accepting instructions from the designated individuals.

F. Actuary

The Actuary (Actuary) provides an accounting of the assets and liabilities of the VEBA.

More specifically, the Actuary’s responsibilities include:

1. Perform periodic actuarial valuations to determine liability and funding requirements for the VEBA.
2. Calculate the benefits for the participants.
3. Monitor the funding progress of the VEBA over time.
4. Make appropriate recommendations regarding actuarial assumptions to be used for valuations.

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G. Retirement Administrator

The Retirement Administrator provides oversight and manages the daily operations of the VEBA's assets.

More specifically, the Retirement Administrator's responsibilities include:

1. Inform the VEBA of any significant events that impact the VEBA and recommend changes in approved policy, guidelines, and objectives.
2. Manage the day-to-day operations for the VEBA.
3. Act as the liaison between the Board, Investment Sub-Committee, members, and the services providers responsible for managing and overseeing the VEBA's assets.
4. Assume other duties as may be described in this policy, applicable state and federal laws, or as the VEBA may otherwise delegate and request.

H. Treasurer

The County Treasurer, by virtue of the office, is the treasurer of the VEBA. The Treasurer's office will act as a contact for the VEBA's custodian.

III. INVESTMENT PHILOSOPHY AND OBJECTIVES

The Board's investment philosophy combines preservation of capital with moderate risk-taking in exchange for moderate investment returns – attempting to optimize the return per unit of risk. This philosophy is supported by the VEBA's long investment time horizon. The Board follows the following key tenets, 1) broadly diversify the Plan's assets across stocks, bonds, and other investments (within the constraints of Act 314), 2) further diversify the Plan's assets across the broader asset classes (as defined in Section IV), managers, styles, and other factors, and 3) select qualified investment managers and continually monitor their performance.

The objectives of the VEBA have been established in conjunction with a comprehensive review of the current and projected financial requirements as presented in an asset allocation review performed in 2017 by AndCo Consulting. The objectives include:

- To be able to pay all benefit and expense obligations when due.
- To earn an average, annual return equal to or greater than the actuarial assumed rate of return over five-year rolling periods.
- To maintain the purchasing power of the current assets and all future contributions by producing positive real rates of return on Plan's assets.
- To achieve and maintain a fully funded status.
- To control costs of administering the VEBA and managing the investments.
- To meet all statutory requirements of the State of Michigan.

The Plan's objectives are based on the expected returns under the strategic asset allocation policy, which follows. This asset allocation policy should result in normal fluctuation in the Plan's actual return, year to year. The expected level of volatility (return fluctuation) is appropriate given the Plan's current and expected tolerance for short-term return fluctuations. Appropriate diversification of Plan assets will reduce the Plan's investment return volatility. All aspects of this statement should be interpreted in a manner consistent with the VEBA's objectives.

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Oakland County Voluntary Employees' Beneficiary Association (VEBA)– Investment Policy Statement

The Board believes that responsible investing is important and recognizes the value of Environmental, Social, and Governance (ESG) factors. The Board also understands their fiduciary duty to the participants and beneficiaries and believes that the integration of ESG factors into the investment process may enhance overall results. However, the investment managers will have full discretion over the portfolios they manage on behalf of the VEBA. The Board has adopted the following actions to further the advancement of ESG within the overall management of Plan's assets.

1. Assess a manager's integration of ESG factors into their investment process as part of the Board's overall investment manager evaluation process.
2. Promote the voting of corporate proxies in an ESG favorable manner.
3. Request investment managers provide an ESG score for the equity portfolios they manage on behalf of the Retirement System/VEBA and a corresponding score for the manager's primary market index each quarter.

IV. TARGET ALLOCATIONS

This strategic asset allocation policy is consistent with the achievement of the Plan's financial needs and overall investment objectives. Asset classes are selected based on their expected long-term returns, individual reward/risk characteristics, correlation with other asset classes, manager roles, and fulfillment of the Plan's long-term financial needs. Conformance with statutory investment guidelines is also considered.

The Board established an allocation range for each asset class in recognition of the need to vary exposure within and among different asset classes, based on investment opportunities and changing capital market conditions. The Board selected the target allocation for each asset class based on the Plan's current investments and present market conditions. The Board intends to review these allocation targets at least annually, focusing on changes in the Plan's financial needs, investment objectives, and asset class performance.

Asset Class*	Minimum	Target	Maximum
Domestic Equity	10.0%	35.0%	50.0%
International Equity	5.0%	12.0%	20.0%
Core Fixed Income	20.0%	32.0%	45.0%
Non-Core Fixed Income	0.0%	8.0%	10.0%
Real Estate	0.0%	8.0%	15.0%
Private Equity**	0.0%	5.0%	20.0%
Cash	0.0%	0.0%	10.0%

**Targets and ranges are based on the total market value of the Plan assets.*

***Unfunded allocations to Private Equity will be allocated to Domestic Equity.*

The Board's attitude regarding the VEBA's assets combines both the preservation of capital and moderate risk-taking. The Board recognizes that risk (i.e., the uncertainty of future events), volatility (i.e., the potential for variability of asset values), and the potential of loss in purchasing power (due to inflation) are present to some degree with all types of investment vehicles. While high levels of risk are to be avoided, the assumption of a moderate level of risk is warranted and encouraged in order to allow the opportunity to achieve satisfactory results consistent with the objectives and character of the VEBA. The policies and restrictions contained in this statement should not impede the investment manager to

APPENDIX A

Oakland County Voluntary Employees' Beneficiary Association (VEBA)– Investment Policy Statement

attain the overall VEBA objectives, nor should they exclude the investment manager from appropriate investment opportunities.

The Board recognizes that from time to time the asset mix will deviate from the targeted percentages due to market conditions. A range has been established for each asset class to control the risk and maximize the effectiveness of the VEBA's asset allocation strategy, while avoiding unnecessary turnover at the security level. The Investment Consultant will monitor the aggregate asset allocation of the portfolio, and notify the Board to rebalance to the target asset allocations based on market conditions. To minimize turnover, an asset class that is outside of its allowable range, will be rebalanced towards its target allocation in a prudent manner. When possible, contributions and distributions will be utilized to maintain allocations within policy ranges and reduce transaction costs. The Board does not intend to exercise short-term changes to the target allocations.

V. INVESTMENT PERFORMANCE OBJECTIVES

The following performance measures will be used as objective criteria for evaluating the effectiveness of the Plan and Managers.

A. Total Portfolio Performance

1. The Plan's overall performance will be compared to the return of a policy index over rolling three (3) and five (5) year periods. The policy index is constructed using the Plan's target asset class allocations and market indices representing those asset classes (see Appendix A).
2. On a relative basis, it is expected that the Plan's performance will rank in the top 50th percentile of the appropriate peer universe over rolling three (3) and five (5) year periods.
3. On an absolute basis, the objective is that the Plan's return will equal or exceed the actuarial assumed rate of return. This absolute return objective will be evaluated in the context of the prevailing market conditions.

B. Asset Class/Composite Performance

The combined segments within an asset class will be compared to the return of a policy index over rolling (3) and five (5) year periods. The policy index is constructed using the Plan's target segment allocations within the asset class and market indices representing those segments (see Appendix A). All Composites are expected to rank in the top 50th percentile of the appropriate peer universe over rolling three (3) and five (5) year periods.

C. Other Assets Performance

The overall objective of the Other Assets or alternatives portion of the portfolio, if utilized, is to reduce the overall volatility of the portfolio and/or enhance returns. This portion of the portfolio will be measured against a blended benchmark of equity, fixed income, cash and other market indices (the percentages will be based on the strategies included in the portfolio).

D. Manager Performance

Individual managers will be compared to a benchmark based on their investment strategy. All portfolios are expected to rank in the top 50th percentile of the appropriate peer universe over three (3) and five (5) year time periods. (Each separate account manager's performance objectives are included within their addendum to this IPS.)

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VI. INVESTMENT GUIDELINES

A. Overall

All investment guidelines and restrictions of the State of Michigan are incorporated by reference, including, but not limited to: Michigan Public Act 314 of 1965, as amended.

B. Pooled Funds

Investments made by the Plan may include pooled funds. For purposes of this policy pooled funds may include, but are not limited to, mutual funds, commingled funds, exchange-traded funds, limited partnerships and limited liability corporations. Pooled funds may be governed by separate documents which may include investments not expressly permitted in this IPS. In the event of investment by the VEBA into a pooled fund, the VEBA will adopt the prospectus or governing policy of that fund as that manager's addendum to this Investment Policy Statement.

C. Alternative Investments

The VEBA may invest in investments that would otherwise not be qualified under these Investment policies, to the extent permitted under MCL Section 38.1140d (informally referred to as the "basket clause").

D. Collective Investment Restrictions and Correcting Excess/Deficient Investments

All Managers are restricted individually, and collectively, by this IPS. The Managers shall coordinate periodically with the Consultant, who shall (among other things) assure collective compliance with this IPS. In the event any investment based on changes in the market value of the VEBA's assets, causes the VEBA to exceed or fall short of any range prescribed in this IPS, the assets may be reallocated in a prudent manner to comply with PA 314 and the strategic allocation and ranges outlined in this IPS.

E. Guidelines for Equity Investments

1. Not more than 70% of the VEBA's assets may be invested in global stocks.
2. The VEBA shall not invest more than 5% of their assets in any one corporation.
3. Additional guidelines will be outlined for separate account managers in addendums to this Investment Policy Statement. For mutual funds and collective trusts guidelines will be outlined in their prospectus or offering document.

F. Guideline for Fixed Income Investments

1. Not more than 15% of the VEBA's assets may be invested in below investment grade bonds. Investment grade is defined as securities graded in the top four (4) major grades as determined by two (2) national rating services.
2. Additional guidelines will be outlined for separate account managers in addendums to this Investment Policy Statement. For mutual funds and collective trusts guidelines will be outlined in their prospectus or offering document.

VII. CRITERIA FOR INVESTMENT MANAGER REVIEW

The Consultant will monitor the performance for each component of the VEBA on a monthly basis utilizing a time-weighted rate of return calculation. Certain managers, based on their individual investment mandates, may report results using an internal rate of return calculation. The Consultant

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Oakland County Voluntary Employees' Beneficiary Association (VEBA)– Investment Policy Statement

will review investment manager information monthly and will provide updates to the Board as necessary.

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- Significant asset flows into or out of the company or strategy.
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- Fee increases outside of the competitive range.
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Nothing in this section shall limit or diminish the Board's right to terminate the Manager at any time.

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Custodian: On a monthly basis, the Custodian will supply an accounting statement that will include a summary of all receipts and disbursements and the cost and the market value of all assets.

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reconcile performance, holdings, and security pricing data with the VEBA's custodial bank and when necessary staff reports/data. In the event of a discrepancy between a Manager and the custodial bank, the custodian's value will be used.

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C. As Necessary –

Consultant and Managers: The Consultant and Managers shall promptly notify the Board in writing of all significant matters pertaining to the investment of the VEBA's assets. This includes, but not limited to, any material change in ownership, organizational structure, financial condition, senior staffing and management, or the management of the Manager's portfolio. Managers shall also notify the Consultant of these matters.

Managers: Managers will provide immediate written and telephone notice to the Board and Consultant of any significant market related or non-market related event.

In addition, if a Manager holds securities, that complied with section VI at the time of purchase, which subsequently exceed the applicable limit or do not satisfy the applicable investment standard, such excess or noncompliant investments may be held until it is economically feasible to dispose of such investment in accordance with the prudent person standard of care, but no additional investment may be made unless authorized by law or ordinance. In addition, an action plan outlining the investment 'hold or sell' strategy shall be provided to the Board immediately.

IX. COMPLIANCE

It is the direction of the Board that the Plan assets are held by a third party Custodian (where applicable), and that all securities purchased by, and all collateral obtained by the Plan shall be properly designated as Plan assets. No withdrawal of assets, in whole or in part, shall be made from safekeeping except by an authorized member of the Board or their designee.

At the direction of the Board, operations of the Plan shall be reviewed by independent certified public accountants as part of any financial audit periodically required. Compliance with the Board's internal controls shall be verified. These controls have been designed to prevent losses of assets that might arise from fraud, error, or misrepresentation by third parties or imprudent actions by the Board or employees of the Plan sponsor, to the extent possible.

The proxy votes must be exercised for the exclusive benefit of the participants of the Plan. Each Investment Manager shall provide the Board with a copy of their proxy voting policy for approval. On a regular basis, at least annually, each manager shall report a record of their proxy vote. Additionally, any proxy votes required for plan assets, such as commingled funds, collective trusts or mutual funds, shall be voted upon by the Treasurer/Finance Officer after consultation with the Investment Consultant and/or the Board.

APPENDIX A

Oakland County Voluntary Employees' Beneficiary Association (VEBA)– Investment Policy Statement

X. REVIEW AND AMENDMENTS

It is the Board's intention to review this document at least annually subsequent to the actuarial report and to amend this statement to reflect any changes in philosophy, objectives, or guidelines. In this regard, the Investment Manager's interest in consistency in these matters is recognized and will be taken into account when changes are being considered. If, at any time, the Investment Manager feels that the specific objectives defined herein cannot be met, or the guidelines constrict performance, the Board should be notified through their consultant after the Investment Manager discusses the issues with the investment consultant. By signing this document, the Chairperson attests that this policy has been recommended by the Investment Consultant, reviewed by the Plan's legal counsel for compliance with applicable law, and approved by the Board.

ADOPTED BY RESOLUTION ON SEPTEMBER 26, 2024

APPENDIX A

Oakland County Voluntary Employees' Beneficiary Association (VEBA)– Investment Policy Statement

APPENDIX A

Asset Allocation Implementation by Investment Manager Styles

Asset Class*	Minimum	Target	Maximum	Benchmark Index
Large Cap Domestic Equity	10%	20.0%	35%	S&P 500 Index
Mid Cap Domestic Equity	0%	7.5%	12%	Russell Mid Cap Index
Small Cap Domestic Equity	0%	7.5%	12%	Russell 2000 Index
International Equity	5%	12.0%	20%	MSCI-ACWI Ex. US
Core Fixed Income	20%	32.0%	45%	Bloomberg U.S. Aggregate
Non-Core Fixed Income	0%	8.0%	10%	Based on Strategy
Core Real Estate	0%	4.0%	10%	NCREIF Fund Index - ODCE
Non-Core Real Estate	0%	4.0%	10%	NCREIF Fund Index - CEVA
Other Assets**	0%	5.0%	20%	Russell Microcap Index
Cash*	0%	0.0%	5%	90-Day T-Bills

**Targets and ranges are based on the total market value of the Plan assets.*

***Unfunded allocations to Private Equity will be allocated to Domestic Equity.*

Total Fund Policy Index: 20.0% S&P 500 Index, 7.5% Russell Midcap Index, 7.5% Russell 2000 Index, 12.0% MSCI-All Country World ex U.S. Index, 32.0% Bloomberg U.S. Aggregate, 8.0% Bloomberg Multiverse Index, 8.0% NCREIF ODCE, and 5.0% Russell Microcap Index (the S&P 500 Index will be increased by until the Private Equity allocation has been fully funded).

Total Equity Policy Index: 42.5% S&P 500 Index, 16.0% Russell Midcap Index, 16.0% Russell 2000 Index, and 25.5% MSCI-All Country World Index ex U.S.

Total Fixed Income Policy Index: 80.0% Bloomberg U.S. Aggregate Bond Index and 20.0% Bloomberg Multiverse Index.

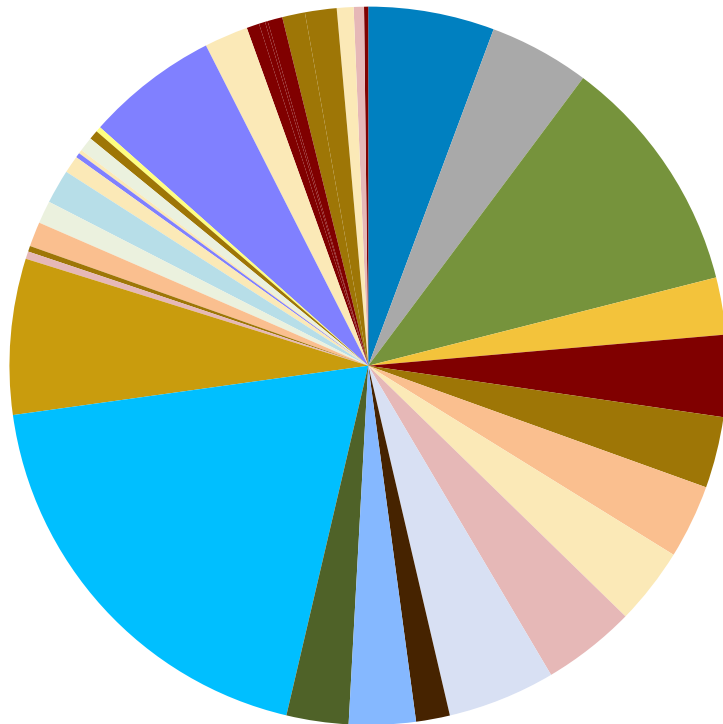
Other composites may be used to evaluate segments for the Total Fund; policy indexes for these composites will be constructed using this format and will be expected to performance in a similar fashion.

APPENDIX B

Asset Allocation by Asset Class Oakland County Employees' Retirement System As of June 30, 2025

Jun-2025 : \$665,441,734.5

Allocation



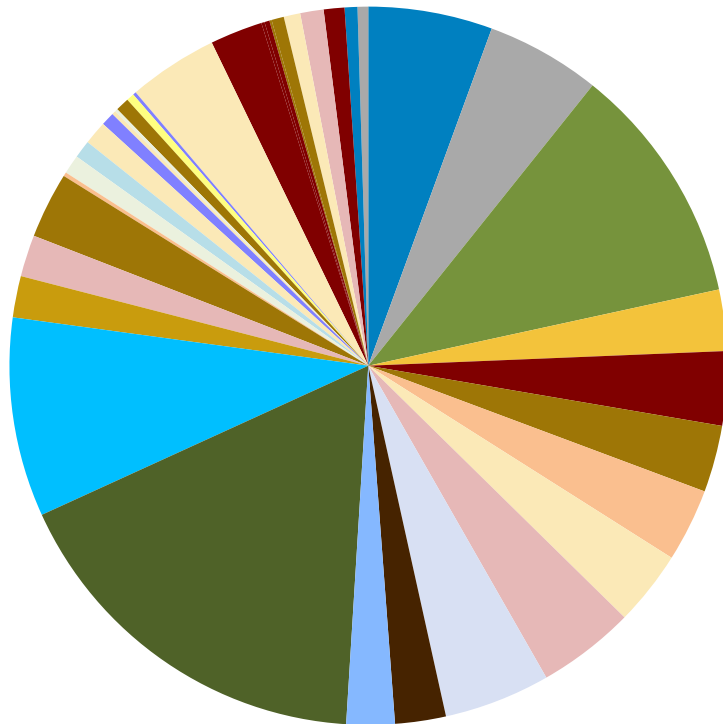
	Market Value	Allocation
SSgA S&P 500	37,770,862	5.7
SSgA S&P 500 Equal Weighted Index	30,181,217	4.5
T. Rowe Price	72,086,303	10.8
Kennedy Mid Cap Value	17,102,756	2.6
TimesSquare	24,426,851	3.7
Reinhart Partners	21,350,871	3.2
Leeward	22,113,735	3.3
Loomis Small Cap	23,111,265	3.5
Lazard	28,011,467	4.2
Hudson Edge HGK International	32,270,844	4.8
Fidelity Intl Index (FSPSX)	10,135,735	1.5
Allspring EM	20,001,411	3.0
ABS Emerging Markets Strat Port	18,562,864	2.8
CS McKee	127,352,689	19.1
Loomis Fixed Income	46,643,670	7.0
Pimco Diversified Income (PDIIIX)	2,268,099	0.3
Churchill Senior Loan Fund	1,685,858	0.3
Marathon Distressed Credit Fund LP	7,419,378	1.1
H.I.G. Bayside Loan Opportunity VI	6,775,175	1.0
BlackRock Direct Lending Feeder IX	10,223,160	1.5
Bloomfield Capital Fund V - Series B	5,201,857	0.8
Bloomfield Capital Fund V - Series C	1,465,622	0.2
Bloomfield Capital Fund V - Series D	1,130,879	0.2
Marathon Distressed Credit Fund II LP	4,349,410	0.7
EnTrust Blue Ocean Onshore II	2,793,274	0.4
ValStone Opportunity Fund V	1,567,661	0.2
Morgan Stanley	39,712,903	6.0
Prudential PRISA II	13,133,861	2.0
Alidade Capital Fund IV	3,805,035	0.6
Walton Street Real Estate	1,851,464	0.3
AEW Real Estate	786,900	0.1
Dune Real Estate IV	4,477,534	0.7
Hamilton Lane Secondary Fund V LP	6,852,129	1.0
Portfolio Adv Secondary Agg IV	9,454,844	1.4
Sturbridge Diversified III	5,000,777	0.8
Capital Dynamics Global Secondaries VI	3,083,786	0.5
Liquidity Account	1,279,589	0.2

APPENDIX C

Asset Allocation by Asset Class Oakland County Employees' Retirement System As of June 30, 2025

Jun-2025 : \$1,608,101,111.4

Allocation



	Market Value	Allocation
SSgA S&P 500	89,882,081	5.6
SSgA S&P 500 Equal Weighted Index	82,858,696	5.2
T. Rowe Price	174,440,886	10.8
Kennedy Mid Cap Value	44,349,875	2.8
TimesSquare	53,548,158	3.3
Reinhart Partners	48,396,283	3.0
Leeward	52,944,075	3.3
Loomis Small Cap	54,259,453	3.4
Lazard	70,514,167	4.4
Hudson Edge HGK International	77,006,426	4.8
Allspring EM	36,739,941	2.3
ABS Emerging Markets Strat Port	35,018,886	2.2
CS McKee	276,549,463	17.2
Loomis Fixed Income	144,159,025	9.0
National Investment Fixed	29,997,570	1.9
Boyd Watterson Fixed	30,160,162	1.9
Pimco Diversified Income (PDIIX)	47,814,762	3.0
Churchill Senior Loan Fund	2,809,763	0.2
Marathon Distressed Credit Fund LP	13,778,845	0.9
H.I.G. Bayside Loan Opportunity VI	12,858,378	0.8
BlackRock Direct Lending Feeder IX	17,038,599	1.1
Bloomfield Capital Fund V - Series B	9,753,481	0.6
Bloomfield Capital Fund V - Series C	2,748,042	0.2
Bloomfield Capital Fund V - Series D	2,120,399	0.1
Marathon Distressed Credit Fund II LP	9,898,820	0.6
EnTrust Blue Ocean Onshore II	5,586,549	0.3
ValStone Opportunity Fund V	2,351,494	0.1
Morgan Stanley	64,947,298	4.0
Macquarie III Europe (Cash)	32,808	0.0
Prudential PRISA II	38,066,188	2.4
Alidade Capital Fund IV	2,283,021	0.1
Walton Street Real Estate	3,702,929	0.2
AEW Real Estate	1,573,783	0.1
Dune Real Estate IV	8,955,085	0.6
Hamilton Lane Secondary Fund V LP	11,991,233	0.7
Portfolio Adv Secondary Agg IV	16,924,168	1.1
Sturbridge Diversified III	15,002,331	0.9
Capital Dynamics Global Secondaries VI	9,251,346	0.6
Liquidity Account	7,786,643	0.5