MEMO

To: FLPS Finance Committee

From: FLPS Investment Committee, Mike Tavlin, Chair

Date: October 24, 2024

Subject: RFP Proposal Evaluations and Committee Recommendation for Investment

Management Services

Three FLPS Investment Committee members (Ed Schulenberg, Tina Udell and Mike Tavlin) met in person on Wednesday, October 23, 2024, to review proposals for investment management services received in response to the RFP that was sent out by FLPS in early September 2024. Dr. John Neal, Interim President of FLPS, attended this meeting.

The RFP was sent to: Responses were received as follows:

Buckingham Strategic Wealth Buckingham Strategic Wealth - Yes

D A Davidson (incumbent manager) D A Davidson - Yes

Fiducient Advisors Fiducient Advisors - Yes

Forvis/Mazars Forvis/Mazars – No - declined to submit a proposal

Mercer Mercer - Yes

Pittenger & Anderson Pittenger & Anderson - Yes

Union Bank & Trust (incumbent manager) Union Bank & Trust - Yes

A sample scoresheet accompanies this memo.

The Investment Committee recommends the following three organizations as finalists to provide investment management services to FLPS with a goal of conducting final interviews prior to the end of calendar 2024 followed by a recommendation by the Investment Committee regarding implementation of a final decision to occur as soon thereafter as is practicable:

D A Davidson

Fiducient Advisors

Mercer

The members of the Investment Committee in attendance at the meeting each identified those firms as their top three recommended finalists. In other words, the recommendation of these committee members is unanimous.

Weighted scores were as follows:

Fiducient Advisors 11.7

Mercer 11.5

D A Davidson 10.0

Buckingham 9.1

Pittenger & Anderson 8.6

Union Bank 8.0

Further discussion:

It is noted that Union Bank & Trust (UBT), one of two incumbent managers, has not been identified or recommended as a finalist in this RFP process. Among the many scoresheet factors discussed by the committee members that led to UBT receiving the lowest score from amongst the six candidates were:

* Investment performance
* Highest investment management costs/fees
* Investment philosophy
* Client communications

D A Davidson, at the present time, manages 95% of FLPS’ investable assets and Union Bank manages the other 5%. Committee members understand, through multiple conversations with Wendy Van, that the fact that these funds are currently managed by UBT is not as the result of the customary RFP process. To the contrary, and again by way of conversations with Wendy Van, Committee members understand these funds came to FLPS by way of a gift/donation from somewhere within the Dunlap and UBT family along with the suggestion or request from the donor that UBT be engaged to manage those funds.

The Committee evaluated the proposals independent of these factors, prioritizing objectivity and focusing on the merits of the manager’s capabilities and track record to uphold discipline and ensure a fiduciary approach in its decision-making process.

Conclusion:

The Investment Committee recommends the following three organizations as finalists to provide investment management services to FLPS with a goal of conducting final interviews prior to the end of calendar 2024 followed by a recommendation by the Investment Committee regarding implementation of a final decision to occur as soon thereafter as is practicable:

D A Davidson

Fiducient Advisors

Mercer

Prompt action on this recommendation by the Finance Committee will enable the Investment Committee to keep the evaluation process moving along in a timely manner and should lead to the final selection and recommendation of an investment manager prior to the end of calendar 2024.

Please let us know if you have any questions, comments or concerns.

Cc: Dr. John Neal