Memo

To: Ryk Tierney
From: Rich Sichel
CC: Harry Burton, Merle Delancey
Date: July 16, 2012
Re: Warehouse 730 - Investment Consulting Agreements

INVESTMENT PERFORMANCE SERVICES, LLC

As a follow up to the discussions on June 8, 2012 regarding the investment consulting proposal for each of the three Funds, I present the following revised proposals for the Trustees' consideration.

Pension Fund

The Fund's current investment consulting agreement with IPS was for the period of July 1, 2008 – June 30, 2011 for an annual fee of $65,000. In addition, we will maintain the $65,000 annual fee through September 30, 2012.

Effective October 1, 2012, for a two year period, I initially requested an increase from the Board of Trustees in the annual fee to $72,500. The increase represents an annualized increase of 2.6% per year over the 4.25 year period where the fee has remained unchanged, approximately in line with the CPI. The same investment consulting services would be provided to the Fund. As indicated in the materials provided at the meeting, our minimum annual fee for this service is currently $75,000; therefore, the proposed fee of $72,500 is 3.3% below our minimum. To assist with the fee discussions, I propose phasing in the fee increase over the course of three years, with the last year's fee being at our minimum. I propose the following fee schedule for the Trustees' consideration: 10/1/12 – 9/30/13 - $70,000, 10/1/13 – 9/30/14 - $72,500, and 10/1/14 – 9/30/15 - $75,000.

I also understand the Trustees are interested in a variation of the Expanded Master Consulting Service ("ExMCS") but with the only additional service being rebalancing of assets recommendations provided by IPS based on monthly data, as needed (whether at quarterly meetings or between meetings via email). The Trustees would continue to interview manager candidates as part of the manager search process and the quarterly compliance monitoring service would remain in effect rather than daily compliance monitoring. *The expanded scope of services requires additional time by IPS staff, cost to our reporting provider, and oversight by our investment committee.* The total fee for this increased service would be $80,000 Year 1, $82,500 Year 2, and $85,000 Year 3.

Health & Welfare Fund

The Fund's current investment consulting agreement with IPS is for the period of October 1, 2010 – September 30, 2012 for an annual fee of $20,000. The $20,000 annually fee has remained unchanged since October 1, 2007.

Effective October 1, 2012, for a two year period, I initially requested an increase from the Board of Trustees in the annual fee to $22,500. The same investment consulting services would be provided to the Fund. I am willing to revise the proposal and maintain the $22,500 fee for a three year period beginning October 1, 2012.

Legal Fund

The Fund's current investment consulting agreement with IPS is for the period of October 1, 2010 – September 30, 2012 for an annual fee of $2,500. The $2,500 annually fee has remained unchanged since October 1, 2007.

Effective October 1, 2012, for a two year period, I initially requested that we maintain the $2,500 fee. The same investment consulting services would be provided to the Fund. I am willing to revise the proposal and maintain the $2,500 fee for a three year period beginning October 1, 2012.

I appreciate the opportunity to work with you, the other professionals, and the Trustees, and look forward to the continued relationship in the coming years. If the Trustees agree with the proposals, I will provide draft agreements to counsel for review.