Food Employers Labor Relations Associations and United Food & Commercial Workers Pension Fund

Request for Proposal for Investment Consultant Services

Submitted by:
Marco Consulting Group
May 9, 2013
Consultant:
Susan Crotty
312-612-8475
crotty@marcoconsulting.com
Consultant:
Susan Crotty
617-298-0967
joyce@marcoconsulting.com

Forward

Marco Consulting Group has prepared the following proposal in response to:

Request For Proposal		
Name:		Food Employers Labor Relations Associations and United Food & Commercial Workers Pension Fund
Service:		Investment Consulting
Date:		May 9, 2013

Proprietary Notice

The information contained herein is confidential and proprietary to the Marco Consulting Group and is considered by it to be a trade secret. Such information, if disclosed, could reasonably be expected to harm significantly the competitive position of The Marco Consulting Group and to interfere with the negotiating position of the Firm. Therefore, such information may not be used, reproduced or disclosed to others except as is specifically permitted in writing by the Marco Consulting Group or required by applicable law or regulation. The recipient of this information, by its retention and use thereof, agrees to protect the same as it would its own confidential and proprietary information and in particular shall protect the same from any damage, loss, or theft.

Corporate Authorization

Signature of authorized signatory of bidder	Jason Zenk
Name of authorized signatory of bidder	Jason T. Zenk
Title of authorized signatory of bidder	Chief Executive Officer
Date signed	May 8, 2013

Table of Contents

THE MARCO CONSULTING GROUP

May 9, 2013

William R. Jensen, President
Associated Administrators, LLC
4301 Garden City Drive, Suite 201
Landover, Maryland 20785

Re: **FELRA and UFCW Investment Consultant Request for Proposal**

Dear Mr. Jensen,

Thank you for considering the Marco Consulting Group ("MCG") to provide independent investment consulting services to the FELRA and UFCW Pension Fund (the Fund). We would appreciate the opportunity to serve the Fund and are confident that our services would assist the Trustees in meeting their objectives for the benefit of the Funds' participants and beneficiaries.

MCG was established in January 1988 with the mission to provide full-service investment analysis and advice primarily to defined benefit and defined contribution plans. We have become one of the largest and most experienced Taft-Hartley consultants in the U.S. as measured by assets under advisement and the number of clients we serve. Employees of MCG are organized and are members of UFCW Local 881. As a contributor to jointly trusteed funds and as an employer of UFCW members, MCG demonstrates a commitment to, and understanding of, labor-management funds that is unparalleled in the industry.

Headquartered in Chicago, Illinois, and with additional offices in Boston and Denver, as of December 31, 2012, the firm provided Consulting Services to 330 clients with assets valued at $90 billion. Including our Corporate Governance and Proxy Voting Services' clients, our clients' assets totaled approximately $134 billion.

We are dedicated to providing comprehensive analysis and advice on all aspects of the investment process, information that Trustees can rely upon as direct and objective and would welcome the opportunity to present our capabilities to the Trustees as the Funds' process continues. Please do not hesitate to contact us at 312-575-9000

Respectfully yours,

Susan Crotty
Senior Vice President

Michael Joyce
Executive Vice President

Headquarters Office ▪ 550 West Washington Blvd., Suite 900, Chicago, IL 60661 ▪ P: 312-575-9000 ▪ F: 312-575-0085
East Coast Office ▪ 25 Braintree Hill Office Park, Suite 103, Braintree, MA 02184 ▪ P: 617-298-0967 ▪ F: 781-228-5871
Western Office ▪ 1746 Cole Blvd. Suite 225, Golden, CO 80401 ▪ P: 303-645-4677 ▪ F: 312-575-0085

ORGANIZATIONAL BACKGROUND

1. Please provide the following information regarding your firm:

a. Firm Name

Marco Consulting Group, Inc.

b. Contact's Name and Title

Michael Joyce, Executive Vice President/ Sr. Consultant

Susan Crotty, Senior Vice President/ Sr. Consultant

c. Contact's Mailing Address

Marco Consulting Group

550 W. Washington Blvd.

Chicago, IL 60609

d. Contact's E-mail Address

Michael: joyce@marcoconsulting.com

Sue: crotty@marcoconsulting.com

e. Contact's Phone and Fax Numbers

Sue: (312) 612 8475 **Michael:** (617) 298-0967:

Fax: (312) 575-0085

f. Firm's Internet Address (if any).

www.marcoconsulting.com

2. Please provide a brief history of the firm, including its year of organization and the ownership structure of the firm, including any parent, affiliated companies or joint ventures.

History

The Marco Consulting Group (MCG) was established in January 1988 by Jack Marco, Chairman and Tom Mitchell, Sr., Vice Chairman, with the mission to provide full-service investment analysis and advice primarily to defined benefit and defined contribution plans. We have become the largest and most experienced Taft-Hartley consultants in the U.S. as measured by assets under advisement and the number of clients we serve.

Employees of MCG are organized and are members of UFCW Local 881. As a contributor to jointly trusteed funds and as an employer of UFCW members, MCG demonstrates a commitment to, and understanding of, labor-management funds that is unparalleled in the industry.

Firm Structure and Management

MCG is 100% owned and operated by the principals and employees of the firm. The Leadership Committee manages the day to day issues of the firm and the Management Committee comprised of shareholders greater the 2% assist in budgets and other strategic issue of the firm.

Leadership Committee:

Jason Zenk **CEO/Sr. Consultant**	Michael Joyce **EVP/Sr. Consultant**	Susan Crotty **Sr. VP/Sr. Consultant**

Management Committee

Jason Zenk **CEO/Sr. Consultant**	Michael Joyce **EVP/Sr. Consultant**	Eileen Dunbar **COO**
Susan Crotty, **Sr. VP/Sr. Consultant**	John Marco, **Sr. Consultant**	John Hume **Consultant**
Greg Kinczewski, **VP/General Counsel**	Nick Trella, **Sr. Consultant**	Elizabeth Mitchell, **Director, Operations**
Amy Forebaugh, **VP/Director, Fiduciary Services**	Bonnie Goldsborough **Director, Research**	

These Committees report to Chairman, Jack Marco and Vice Chairman, Thomas Mitchell.

3. List all owners of the firm including applicable ownership percentage, and include short biographical descriptions of the owners.

MCG Equity Ownership

Name	Title	%
Jack Marco	Chairman	33.78%
Tom Mitchell	Vice Chairman	17.00%
Jason Zenk	Chief Executive Officer/ Sr. Consultant	12.24%
Michael Joyce	Executive Vice President/ Sr. Consultant	7.74%
Susan Crotty	Sr. Vice President/ Sr. Consultant	6.00%
Amy Forebaugh	Vice President/ Director of Fiduciary Services	4.24%
Greg Kinczewski	Vice President/ Director of Proxy Voting	2.74%
John Marco	Sr. Consultant/ Sr. Consultant	2.50%
Nick Trella	Sr. Consultant/ Sr. Consultant	2.50%
Eileen Dunbar	Chief Operating Officer	2.00%
John Hume	Consultant	1.50%
Beth Mitchell	Director of Operations	1.50%
Bonnie Goldsborough	Director of Research	1.00%
Karolina Sienkiel	Director of Finance	0.50%
Matthew DeConcini	Chief Compliance Officer	0.50%
Julian Regan	Vice President/ Sr. Consultant	0.50%
Jeanine Sudar	Client Service Analyst	0.80%
Beatrice Silva	Sr. Performance Analyst	0.58%
Jackie McCray	Client Service Analyst	0.36%
Lydia Miranda	Client Service Analyst	0.36%
Veronica Acevedo	Client Service Analyst	0.18%
Sharon Ferguson	Performance Analyst	0.18%
Wilda Garcia	Sr. Performance Analyst	0.18%
Tatyana Gachevsky	Data Management Associate	0.18%
Hilda Hassan	Finance Specialist	0.18%
Glenn Johnson	Corporate Governance Financial Analyst	0.18%
Maria Miranda	Client Service Analyst	0.18%
Laura Moysey	Finance Administrator	0.18%
Tracey Patterson	Receptionist	0.18%

Please see **Appendix I Key shareholder Biographies**

4. Describe any ownership changes that have occurred within the last five (5) years, as well as any anticipated changes in ownership, organizational structure, or professional staffing.

In 2012 MCG announced that a number of its key employees purchased an additional 30% of stock from founders Jack Marco and Thomas Mitchell. This purchase is also expected to allow for the purchase of shareholders Marco and Mitchell's remaining 51% stake by the employees of the firm in 2017.

There are currently 29 equity owners of MCG.

5. Please provide the following information related to your firm:

a. Number of years providing investment consulting services.

MCG has been providing investment consulting services since 1988

b. Number of years providing consulting services to jointly-trusteed benefit funds.

MCG has been providing investment consulting services to jointly-trusteed benefit funds since 1988.

c. General categories of services available to clients.

MCG provides 3 specific services which include:

- Investment Consulting
- Fiduciary Services Consulting
- Proxy Voting Services

d. Asset classes that the firm is currently monitoring for clients.

We look at a wide range of global investable assets and select an appropriate mix that provides the full benefits of diversification, while satisfying the plan's actuarial assumptions, need for cash flows, and risk tolerance. The range of asset classes includes but is not limited to:

- Domestic equity (large, mid, and small)
- International equity (developed and emerging)
- Fixed income (domestic, international, high yield, TIPS, global multi-sector, leveraged loans, mezzanine debt)
- Real estate (debt and equity)
- Private equity
- Hedge funds
- Infrastructure
- Other alternatives

e. Total firm revenue.

MCG's total annual revenue for the fiscal year ending 12/31/12 was $17.7 million.

f. Percentage of firm's revenue from services to jointly-trusteed benefit funds.

98% of MCG's revenue is attributable to serving as an investment consultant for jointly-trusteed benefit plans. The remainder is attributable to our jointly-trusteed and public fund proxy voting service clients.

6. Please provide the following information related to your firm's current clients:

a. Total number of clients, including total assets of all clients.

Total Clients as of 12/31/12 (including Proxy Voting)

Service Type	MCG Clients	Market Value	% of Total
Consulting	133	$19,785,620,389	14.7%
Consulting and Proxy	157	$64,527,180,562	47.9%
Fiduciary Services	40	$6,106,760,909	4.5%
Proxy Only	88	$44,325,369,456	32.9%
Totals	**418**	**$134,744,931,315**	**100.0%**

b. Number of jointly-trusteed benefit fund clients, including the size (in assets) of each jointly-trusteed benefit fund client.

98% of MCG's investment consulting clients are jointly-trusteed benefit funds. Of these some 328 clients plans have asset values ranging from $10 million to $16 billion.

c. Percentage breakdown of clients by category (e.g. public pension funds, endowments, etc.).

Clients by Category as of 12/31/12

Client Type	MCG Clients	Market Value	% of Total
Public	2	$1,725,004,612	1.9%
Taft-Hartley	328	$88,694,557,247	98.1%
Totals	**330**	**$90,419,561,859**	**100.0%**
Public (including Proxy)	8	$15,737,368,472	11.7%
Taft-Hartley (including Proxy)	410	$119,007,562,843	88.3%
Totals	**418**	**$134,744,931,315**	**100.0%**

d. Distribution of all clients by asset size within the following ranges: (1) less than $250 million, (2) $1 billion, (3) above $1 billion.

Client Assets by Size as of 12/31/12

Size of Client	*MCG Clients*	*Market Value*
Under $250 Million	268	$13,757,199,534
$250 Million to $1 Billion	42	$17,892,691,375
Over $1 Billion	20	$58,769,670,951
Totals	310	$90,419,561,859

e. List of your firm's five (5) largest clients, including name, address, contact name, telephone number and asset size, for use by the Board as references.

Five Largest Client References

Mr. Salvatore Chilia
International Secretary Treasurer
International Brotherhood of Electrical Workers National
900 Seventh Street, N.W.
Washington, DC 20001
Tel: 202-728-7000
Email: sam_chilia@IBEW.org
Asset values: 17.2 billion
Years of service: 25
Service provided: Investment Consulting

Mr. Robert Ball
Chief Investment Officer
Joint Industry Board of the Electrical Industry Electrical Employers
158-11 Harry Van Arsdale Jr. Ave
Flushing, NY 11365
Tel: (718) 591-2000 x1253
Email: rball@jibei.com
Asset values: 9.8 billion
Years of service: 25
Service provided: Investment Consulting

Ms. Lorraine Monchak
Chief Investment Officer
1199 SEIU Health Care Pension Fund
555 W. 57th St., Room 1530
New York, NY 10019
Tel: 646-473-6050
Email: lorraine.monchak@1199funds.org
Asset values: $8.3 billion
Years of service: 25
Service provided: Investment Consulting

Mr. David Durkee
International President
Bakery, Confectionery, Tobacco Workers and Grain Millers International Union
10401 Connecticut Avenue
Kensington, MD 20895-3961
Tel: 301-933-8600
Email: ddurkee@bctgm.org
Asset values: 4.8 billion
Years of service: 19
Service provided: Investment Consulting

Mr. Anthony “Marc” Perrone
International Secretary Treasurer
United Food and Commercial Workers International Union
1775 K Street N.W.
Washington, DC 20006
Tel: 202-223-3111
Email: mperrone@ufcw.org
Asset values: 6.3 billion
Years of service: 13
Service provided: Investment Consulting

7. Please provide details on the number, name and asset values of any terminated client relationships within the past five years, including reasons for the termination, Please provide the name and position of the applicable contact person and telephone number for each such client.

Please see **Appendix II Gained and Lost Clients**

Due to strict client confidentiality agreements, we are unable to provide specifics such as asset values or contact information for any current of past clients without their expressed consent. We would be willing to provide additional information upon obtaining consent from each client should you so desire.

As of March 31, 2013 MCG has gained more assets than lost over the past 5 years

8. Please note, overall as of March 31, 2013 MCG has gained more assets than lost over the past 5 years8. Please provide details on the number, name and asset values of any new client relationships gained in the past five years, including names and positions of contact persons and applicable telephone numbers.

Please see **Appendix II Gained and Lost Clients**

Due to strict client confidentiality agreements, we are unable to provide specifics such as asset values or contact information for any current of past clients without their expressed consent. We would be willing to provide additional information upon obtaining consent from each client should you so desire.

As of March 31, 2013 MCG has gained more assets than lost over the past 5 years

9. Please provide a current annual report.

While MCG, as a private company is not required to file an annual report, we would be willing to provide the fund with documentation such as Form ADV upon request.

PROFESSIONAL STAFF

10. Provide an organization chart showing functions, positions and names of all professionals within your firm. Include the total number of professional employees and total support staff.

Leadership

Chairman
Jack Marco

Vice Chairman
Tom Mitchell Sr.

Chief Executive Officer
Jason Zenk

Exec. VP/ Sr. Consultant
Michael Joyce

Sr. VP/ Sr. Consultant
Sue Crotty

VP/ Director, Fiduciary Svc.
Amy Forebaugh

VP/General Counsel/ Director, Proxy
Greg Kinczewski

Chief Operating Officer
Eileen Dunbar, CPA

Consultants

VP/Senior Consultant
Julian Regan

Sr. Consultant
David Wojick
John Marco
Nick Trella

Consultant
John Hume
Michael Lyons

Compliance

Deputy General Counsel/ Chief Compliance Officer
Matthew DeConcini

Fiduciary

Assistant Director
Ryan Hanna, CFA

Sr. Fiduciary Svc. Analyst
Michael Bullion*

Fiduciary Svc. Analyst
Amit Singh
Brennan Grosvenor.

Sr. Exec. Assistant
Margarite Falbo

Research

Director, Research/Portfolio Manager, MCG Equity Group Trust
Bonnie Goldsborough, CFA

Assistant Director
Peter Marchese, CFA

Sr. Quantitative Analyst
Allan Sievert

Exec. Assistant
Nora Erickson

Alternatives
Mgr, Alternatives
John Freihammer, CAIA

Sr. Investment Analyst
Imran Zahid+

Investment Analyst
Michael Breakstone***

Custodial Services
Mgr, Custody
Rosa Limas

Data Management Assoc.
Tatyana Rogachevsky

Defined Contribution
Investment Analyst
David Greengard

Equity
Mgr, Equity
Donell Ward

Sr. Investment Analyst
Melissa Binder, CFA

Fixed Income
Mgr, Fixed Income
Lynn Russell, CFA

Sr. Investment Analyst
Jim Fadel, CFA

Portfolio Manager
Portfolio Manager, MCG Fixed Income Group Trust
Donald Sheridan

Proxy

Assistant Director
Maureen O'Brien

Sr. Corporate Gov. Financial Analyst
Mun Fei Lee**

Corporate Gov. Analyst/Advocate
Glenn Johnson

Proxy Administrator
Sheila Lewis

Sr. Exec. Assistant
Chanelle Fowler

Client Services & Performance

Director, Performance Reporting
Michael Hunt

Client Service
Client Service Analyst
Veronica Acevedo
Jeanne Golom
Jackie McCray
Lydia Miranda
Maria Miranda
Jeanine Sudar

Performance
Mgr, Performance
Mary Ann Johnson

Sr. Performance Analyst
Wilda Garcia
Rosie Kieskowski
Earnestine Priest
Patty Ramirez
Marg Salamone
Bea Silva

Performance Analyst
Sharon Ferguson
Maria Hernandez
Linda Lipa
Susi Ocampo

Sr. Lead Report Production
Yvette Ratcliffe

Technology

Director of Operations
Elizabeth Mitchell

Developer
Mgr, Application Dev.
Jim Thornborough

Sr. Application Dev.
Annie Li
Alex Milman

Application Dev.
Randy Bosak

Network Support
Mgr, Network Admin.
Rene Caballero

PC Support Specialist
Craig Sarver

Administration

Exec. Assistant
Sr. Exec. Assistant
Anni Gudinas
Erica Marks
Lynda Young

Receptionist
Tracey Patterson

Marketing
Sr. Graphic Designer
Sarah Binion

Sr. Marketing Specialist
Marshall Owen

Finance

Director of Finance
Karolina Sienkiel

Finance Administrator
Laura Moysey

Finance Specialist
Hilda Hassan

* CFA Level 1 Candidate
** Passed CFA Level I, and/or Candidate for CFA Level II Exam
*** Passed CFA Level II, and/or Candidate for CFA Level III Exam
+ Passed CAIA Level I, and/or Candidate for CAIA Level II Exam

11. Please provide the names of all professionals who will be assigned the Fund's account, including designated primary and secondary consultants, as well as detailed biographical data on all such individuals. At a minimum include, the following information for each: a. Length of experience in investment consulting services and with your firm b. Names of currently assigned accounts, including total assets of each client c. The highest educational degree and/or professional designation attained

Susan Crotty

Senior Vice President and Senior Consultant

Years of Experience:33
Years with MCG: 4

Sue has been an investment professional for thirty years. Prior to joining Marco Consulting in 2010, Sue began her investment career as a financial analyst for GTE and subsequently General Motors in the management of the hourly and salaried employees' pension funds. Thereafter Sue was an investment consultant working with multi-employer, foundation, corporate and other pension plans in the management of their funds. Sue spent twelve years providing advice on asset allocation, manager selection, and investment performance for Hamilton & Company in New York. At Callan Associates, Sue was a member of the management committee and worked in the investment management division as well as Alternatives Practice Leader before joining a hedge fund of funds.

Sue was a member of the New Jersey State Investment Council for six years, providing oversight on policy and management to the $70 billion New Jersey State Pension Fund. She is also a member of the Investment Committee of Church of Christ the King and Homeless Solutions in Morristown, New Jersey.

Sue received her Bachelor of Science from Boston College in 1981 and MBA in finance from the University of Connecticut.

Sue's Clients*

- American Postal Workers Union
- UFCW International Union – Industry Pension (secondary)
- International Brotherhood of Electrical Workers and the National Electrical Benefit Fund
- Service Employees International Union Pension Plans Master Trust
- Graphic Communications Conference
- Bricklayers & Trowel Trades
- Graphic Arts Industry Joint Pension Trust
- UFCW International Union
- NECA/IBEW Family Medical Care Plan

*Please note that due to strict client confidentiality agreements we are unable to provide specific asset values of any current or past client relationships.

Michael Joyce, CEBS

Executive Vice President and Senior Consultant

Years of Industry Experience: 25
Years with MCG: 15

Since 1988, Michael has spent his professional career working with Taft-Hartley, public and other benefit plans. Prior to joining MCG in 1998, Michael was a partner with Murphy, Hesse, Toomey & Lehane in Quincy, MA, serving in the firm's ERISA/Employee Benefits practice group.

Michael has been a frequent speaker and contributing author on a wide range of benefit, investment, and retirement topics, including presentations for the ISCEBS, IFEBP and other industry and trade organizations. Michael also serves as board member for a number of non-profit organizations.

Michael received his J.D. from Suffolk University Law School and his B.A. from the University of Notre Dame. He earned his designation as a Certified Employee Benefit Specialist in 1991 and is a Fellow in the International Society of Certified Employee Benefit Specialists. He is a past president of the Governing Council of the ISCEBS

Michael's Clients*

- 1199 SEIU Health Care and Home Care Employees' Funds
- IBEW Local No, 98 Benefit Funds
- Amalgamated Retail Retirement Fund
- International Brotherhood of Electrical Workers Local 103 Funds
- Bakery & Confectionary International Benefit Funds
- UFCW Local 919 & Contributing Employers' Food Funds
- Connecticut Health Care Associates Pension Fund
- Jacksonville Plumbers & Pipefitters Funds
- International Foundation of Employee Benefit Plans Funds and Reserves
- Joint Industry Board of the Electrical Industry Benefit Funds
- Sheet Metal Workers Local 17Benefit Funds
- New England Health Care Employees Benefit Funds

*Please note that due to strict client confidentiality agreements we are unable to provide specific asset values of any current or past client relationships.

12. Please explain how the team dedicated to the Fund's account would function, and the procedures for addressing the Fund's account when the primary or secondary consultant(s) are traveling or otherwise unavailable.

All of our clients are assigned a Consultant team, based on the Consultants' combined expertise, client needs, client location, and Consultant account load. We believe a team consulting model enables us to provide the highest level of service. In addition, this structure provides redundancy and further depth to the clients we serve.

The Consultant team is responsible for managing the client's requirements, including meetings and educational sessions when requested. An Account Manager is also assigned to the relationship, and this individual handles most of the day-to-day reporting and custodial requirements. Research Analysts also support the relationship and are assigned to three specific groups: public equity, fixed income, and alternatives. Client requests are again handled using a team-oriented approach by this department.

Account Servicing

The Consultant team is responsible for managing the client's requirements, including meetings and educational sessions, when requested. An Account Manager is also assigned to the relationship, and this professional handles most of the day-to-day reporting and custodial requirements. When the Consultant is absent from the office, clients work with their Account Manager.

Supporting MCG's Consultants and Account Managers are four divisions:

Performance Reporting: This division is responsible for producing the performance and financial characteristics for our clients' investment portfolios and is staffed with 12 financial Analysts.

Research: MCG has 16 Research professionals dedicated to identifying, analyzing and monitoring investment managers. This group works closely with MCG's Consultants to identify appropriate investment managers as alternatives or additions to a client's fund.

In addition, MCG's Manager of Custodial Relations is responsible for overseeing custodian search activities and on an annual basis creates a Custodian Evaluation Profile, which provides an in-depth evaluation of each custodian's services.

Proxy Voting: MCG votes proxies on behalf of the majority of its clients. MCG's in-house counsel has responsibility for the analysis and voting of all proxies and is assisted by our deputy counsel, five proxy-voting professionals and two administrative staff.

Systems: There are seven full-time system specialists in this division. They have responsibility for developing and maintaining the software and hardware used by all of MCG employees.

13. Please indicate the turnover of professional staff (senior management, consultants and personnel dedicated to consulting services) in the past five years, including the name and position of each departing employee, the date and reason each employee left the firm, and the name of any replacement employee.

Staff Departures Last Five (5) Years

Date of Departure	Name	Position	Reason for Leaving
July 2011	Russell Campbell	Chief Executive Officer	Change in Management Structure
April 2011	Miguel Zarate	Sr. Consultant	Pursue other opportunities
April 2011	Ian Jones	President	Pursue other opportunities
July 2009	Richard Graf	Chief Executive Officer	Retired
June 2009	Frank Nigro	Consultant	Pursue opportunities in money management

Staff Additions Last Five (5) Years

Name / Title		Date Hired	Experience
Pete Marchese	Assistant Director of Research	January 2012	22 years
Eileen Dunbar	Chief Operating Officer	Promoted July 2011	25 years
Don Sheridan	Portfolio Manager	October 2010	12 years
Sue Crotty	Sr. V.P./Sr. Consultant	September 2010	31 years
John Hume	Consultant	January 2010	17 years
Julian Regan	V.P./ Sr. Consultant	February 2009	19 years
Nick Trella	Consultant	April 2008	13 years
Michael Lyons	Consultant	January 2013	11 years

14 Within your firm, what is the average number of clients per consultant?

MCG's Consultants work with an average of 13 client relationships and we strive to stay within these parameters. There are instances where a Consultant will work on multiple plans with common Trustees and therefore, they can technically handle more “relationships”. The driving factor in determining the number of relationships is the level of service and consistency the Consultant can deliver. This is monitored regularly and action is immediately taken if workloads become excessive. Furthermore, as our client base continues to grow, we sustain this growth by making ongoing investments in people and technology.

15. Please provide a brief description of your firm's compensation arrangement for professional staff, including any incentive bonuses and how such bonuses are awarded. Please indicate if any professional staff has an ownership stake in the firm or otherwise shares in the firm's profits, and if so, please provide details.

Consultants are paid a competitive base salary and receive additional compensation, through ongoing revenue sharing (commissions) and bonus, based on their contribution to the success of the firm through their service provided to our clients and their contribution within MCG. Consultants are also equity owners and share in the overall revenues of the firm. Compensation and reviews generally occur on an annual basis. From time to time we refine our compensation package, but we provide appropriate incentives for talented, motivated, and successful consultants to prosper.

Besides compensation, Consultants participate in the decision-making process at MCG. We have monthly Consultant meetings where we discuss issues facing our clients and develop policy. Participating in this process provides our Consultants with professional growth opportunities and simultaneously lets them know they are an integral part of the firm, not just an employee. In addition, each new Consultant works with a mentor who is a principal of the firm.

SERVICES AND CAPABILITIES

17. Describe the range of consulting and other financial services that your firm offers.

MCG provides 3 specific services which include Investment Consulting, Fiduciary, and Proxy Voting Services. There is no additional charge for our proxy voting service to our Investment Consulting and Fiduciary Services' clients.

Each of our services offers unique advantages. Our services are provided primarily to jointly- trusteed plan sponsors. We do not manage money. We do not do business with the investment management community and will not accept compensation from any organization besides our plan sponsor clients.

Investment Consulting Services: MCG's primary line of business is investment consulting. MCG is dedicated to providing comprehensive analysis and advice on all aspects of the investment process, information that Trustees can rely upon as competent, direct, and independent.

Our Investment Consulting Services for full-service clients include investment policy development and maintenance, quarterly performance evaluations, and investment manager, record keeper and custodian searches. In addition, MCG conducts periodic asset liability studies, quarterly custodial audits, and special projects as needed or requested.

Fiduciary Services: MCG offers a second service, Fiduciary Services, whereby MCG manages additional latitude in managing a client's investment program. MCG's most senior professionals are responsible for the investment decision-making process and the management of a client's portfolio. These professionals (Executives, Director of Fiduciary Services, Director of Research and Senior Consultants) who make up the Fiduciary Services Management Committee approve all investment decisions.

Our Fiduciary Services offering is similar to hiring a full-time staff and is designed to eliminate the inherent inefficiencies in traditional investment programs. This turnkey investment program provides a more timely investment decision-making process with numerous service benefits that are summarized below. Our Fiduciary Services Management Team and professionals:

- Determine the asset allocation structure
- Establish the investment manager structure and make hiring and firing decisions
- Perform ongoing due diligence of assets, managers and custodian
- Rebalance assets when required
- Review investment manager guidelines
- Facilitate legal review and support
- Negotiate investment manager and custodian fees
- Verify manager invoices and make payments if requested
- Provide monthly and quarterly performance reports\
- Report to the Trustees on an ongoing basis

Proxy Voting Services: MCG's in-house General Counsel and Deputy General Counsel have responsibility for the analysis and voting of all proxies and are assisted by proxy voting professionals and administrative staff. We help our clients develop a proxy policy statement, vote their shares in the economic best interest of their plan's beneficiaries, and compile votes in a substantive but understandable format. In addition, we serve as advocates for our clients at shareholder meetings. We are able to combine the power of several owners into a voice that can create change at the corporate level. Our Proxy Voting Service fully complies with the Interpretative Bulletin issued by the Department of Labor.

18. List your firm's lines of business and the appropriate contribution of each business to your firm's total revenue and profits. If the firm is an affiliate or subsidiary of an organization, what percentage of the parent firm's total revenue and profits does the subsidiary or affiliate generate?

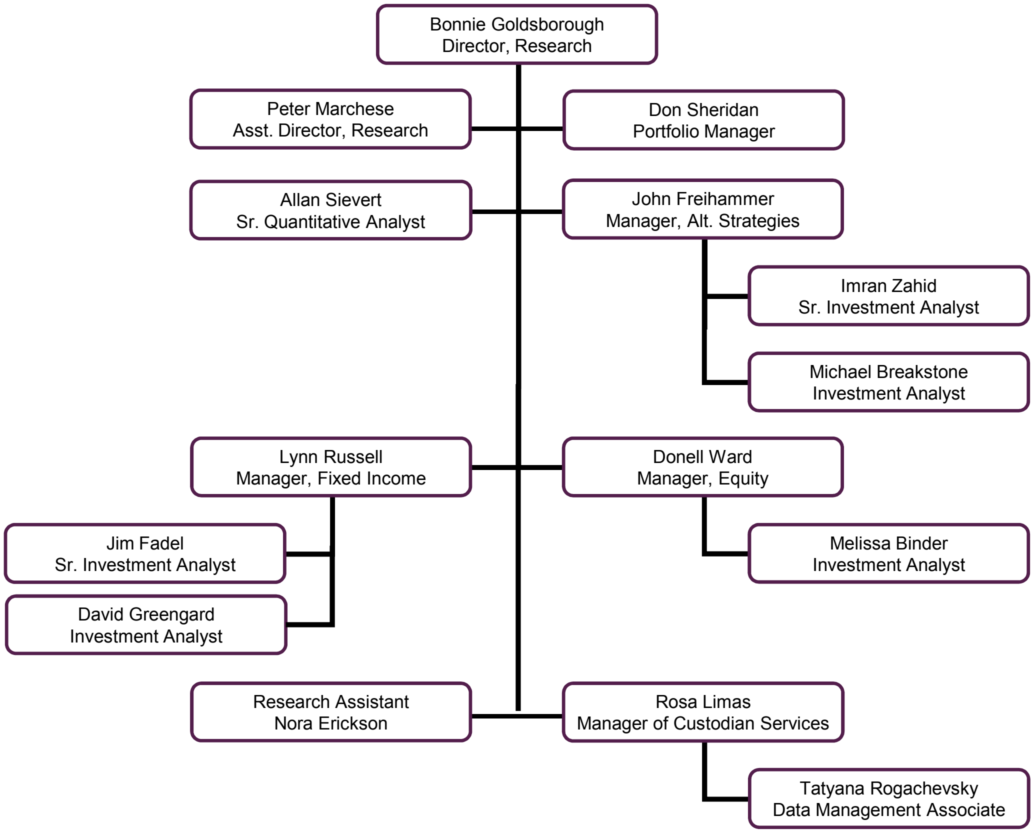
Percent of Revenue per Business Line

	2012
Investment Consulting	64%
Fiduciary Services	32%
Proxy Voting	4%
TOTAL	**100%**

19. Describe the internal structure, organization, and capabilities of your firm's research department (if no separate department exists, describe how this function is performed).

The Strength of Our Research Department

MCG's Research Department currently has 16 full-time staff members. This team provides multiple services for clients, including asset allocation, product education, manager due diligence, manager selection and market commentary. Research is divided into four main groups (equity, fixed income, alternatives, and custody), and the analysts focus on the managers evaluation and consideration, manager searches are and research projects in their respective areas.



Manager Selection and Rigorous Due-Diligence Process

Research is involved with the effort to source, evaluate, recommend and monitor investment managers. The team has developed a rigorous due diligence process for evaluating the strengths and weaknesses of investment managers, using a series of phone calls, questionnaires, on-site visits, and reports. Most importantly, the research team is able to use these insights to determine how a specific manager could complement a plan's existing stable of managers. Part of the manager selection effort involves understanding new strategies that are in the marketplace, and this team regularly develops educational presentations about the merits of new and emerging strategies. Growth in the alternatives area has been particularly strong and is part of the reason why the team has grown to its current level (compared to a staff of eight in 2005).

Reporting

The reporting function of the Research Department is also an important effort. This includes special quarterly reports on alternatives managers for each client and it also includes various types of data analysis, such as proprietary population returns and fee studies. The Research group also provides market commentary, on a quarterly basis and in response to special events, to describe the major economic forces that are impacting manager returns.

Please see **Appendix III Research Department Credentials**

20. Describe the manner in which internal and external resources and sources of information are used in the research process. How does your firm integrate internal and external research?

We use a combination of external quantitative data, for screening and monitoring, but we rely heavily on our internally generated research to identify the best managers in each asset class.

When researching investment managers we draw upon the following internal and external data and research:

- *Internal data.* We calculate performance, portfolio characteristics and have an ongoing interaction with investment managers who work for our clients. Because our clients employ several hundred investment managers, we are able to draw on the real-time experience of these investment managers for specific accounts and monitor how they have performed in the various investment environments.
- *External database subscriptions*. In addition to the above client specific manager data, MCG uses eVestment Alliance, Morningstar Direct and Pertrac to gather data on all investment managers. This data is used by MCG research staff in performing our internal research.
- *External research data.* The following data services are used for our client reporting and manager search responsibilities:

Bloomberg:	Daily stock and bond prices and characteristics
Compustat:	Stock prices and characteristics
Capital Management Sciences:	Daily bond prices and characteristics
Merrill Lynch:	Daily bond prices and characteristics
Encorr	Market index data
Barclays Indices:	Bond Index data
Morningstar:	Mutual Fund data
Frank Russell Company:	Market index data
Ibbotson:	SBBI Yearbook

In addition to the above data sources, we also gather additional information from investment managers through:

- Supplemental questionnaires for publicly-traded equity and fixed income strategies are utilized and asset-specific questionnaires for the alternative asset classes
- Onsite and offsite manager interviews. In 2011 we conducted more than 400 investment manager interviews at our offices and at the offices of the investment managers

21. Has your firm conducted an asset/liability study for a jointly-trusteed benefit fund? If so, how many has it conducted within the last three (3) years, and provide a written sample of a recent study performed by your firm for a client with a similar profile as the Board.

MCG's consultants maintains a practice of working with our clients' actuaries on detailed asset/liability studies every 5 years, or whenever the actuaries communicate changes in a plan's liability assumptions that warrant new analysis. We have worked on many asset/liability studies over the past three years, but a specific number is difficult to calculate across our consulting and Fiduciary Services clients. Our analysts and consultants perform asset allocation analyses for our clients on an ongoing basis, and have modeled our clients' plans hundreds of times over the past three years.

22. Describe your firm's process for determining the appropriate asset allocation for a jointly trusteed benefit fund. At a minimum, include the criteria on which you base your assumptions. Also describe your process for determining and analyzing a client's investment structure. Describe your process for recommending modifications to the portfolio structure as warranted by changes in the market place or benefit obligations/assumptions.

Each client has a specific asset allocation which is appropriate for their specific Plan. The asset mix is determined through dialogue with the Trustees, Administrator, Actuary and other pertinent parties in order to understand the characteristics and needs of the Fund. MCG has an internal "model" allocation that can change as market dynamics develop and is based on forward looking assumptions for return and historical correlations and standard deviation measures that are adjusted as outlined further below.

The ultimate goal is to find the optimal risk adjusted return that meets the specific needs of the Plan. This will take into consideration the level of illiquidity that is possible given Plan circumstances, the level of targeted volatility that is acceptable and the overall return required (often the actuarial assumption). In addition we seek to find many sources of uncorrelated return and portfolios that are able to perform in a variety of economic scenarios. We have also included factor based asset reviews for clients where we need or desire additional portfolio understanding.

Once an overall allocation is determined and acceptable to the Trustees, the investment structure decision will determine the details of the Plan. We do take into account many of the specifics of the investment structure in the actual asset modeling process by dissecting the portfolio into various specific sub asset buckets for a better understanding of the structure decisions at the macro level. For example if a multi sector fixed income manager is utilized the allocation to credit, emerging debt, treasury etc. is modeled in the specific percentages and with the specific forecasted return, risk and correlation assumptions that then roll up into the total Fund.

We will recommend changes to the asset mix either as Plan circumstances change (actuarial assumption, benefit levels, etc.), or if the markets change. The latest example of which is the current adjustments to fixed income we are recommending based on interest rates and the potential for rising rates.

Asset Allocation Model:

As an initial step, MCG will prepare a traditional mean-variance analysis. This framework is based on the work of Harry Markowitz, who advanced the idea that securities should be evaluated in terms of their contribution to portfolio-level risk and return, rather than evaluating each investment on a stand-alone basis. Mean-variance analysis looks at each asset class's expected return and risk and the correlation between assets to evaluate different asset mixes. MCG creates these model inputs (return, risk, and correlation) based on economic outlooks from our managers, historical data, and third party research. MCG conducts the mean-variance analysis with EnCorr software, developed by Ibbotson Associates.

Because the mean variance model can be sensitive to the quality of the inputs, we have enhanced the traditional analysis to include unsmoothed returns where appropriate in the data input and expanded the risk and returns inputs to include sub asset classes. This provides a more realistic analysis of the possible portfolio outcomes available in the current marketplace. Since it is also helpful to stress test various asset mixes under different conditions, our models can incorporate various economic scenarios and various measures of value at risk to view portfolio returns under various scenarios. We run mean-variance analysis with two sets of forward-looking inputs (consensus and pessimistic) to see whether the optimal allocation will vary. MCG also has an internally-developed model that runs mean-variance analysis based on historical returns of common industry benchmarks. While there are limitations to working with historical data, this does help us test how various asset mixes held up during previous periods of market stress. The second step in portfolio construction involves selecting the right combination of mandates. A number of investment products offer exposure to multiple asset classes in a single product, such as global (domestic + international + emerging markets), core plus fixed income (core + international bond + high yield), or diversified beta (dozens of exposures). These aren't distinct asset classes, so they are not part of the first step; however, these products may be the best vehicle for implementing an asset allocation. For example, emerging market equities and high yield fixed income are typically very cyclical in their performance, and so we do not generally recommend stand-alone mandates for these allocations. A stand-alone mandate typically implies a fixed allocation, but a manager with authority to invest tactically in multiple betas can adjust the size of the exposure in response to market conditions.

Investment Structure

Once the asset allocation has been set, MCG works with fund trustees and executives to assist in implementing an investment structure that serves to implement the asset mix. In developing the fund's investment portfolio structure several questions need to be asked and answered including:

- Whether the fund will employ active investment strategies in an effort to exceed performance benchmarks or whether the fund will employ passive strategies
- The number of investment managers to utilize and strategies within each asset class
- Whether to use generalist managers, specialty managers or whether to use both

To assist our clients in implementing the best possible portfolio structure e outlines the benefits, risks and costs associated with alternatives. Analysis may include:

- A fact-based analysis of the different costs, risks and opportunities associated with using active management and/or passive management within each asset class
- A discussion of the desirable level of investment manager diversification
- An assessment of effective strategies and styles within each asset classes

23. Describe your firm's process for developing, recommending, and maintaining a client's investment policy, strategy and asset mix, including re-balancing.

Our first steps would be a review of the current investment policy, past performance, meeting notes, actuarial statements, etc. With this background we work with the client to understand how and why past decisions were made.

We would then follow a process to determine the appropriate asset allocation structure, recommend investment policies, and objectives and guidelines for the Fund. Prior to reviewing our asset allocation process, we believe it is important for the Trustees to understand the entire process that we follow in building, administering, and measuring the success of a professionally designed investment program.

Our consulting approach is first to educate the Fund's Trustees and advisors on the benefits of building such an investment program, and then to assist our clients in taking the necessary steps to implement, maintain and further expand the investment program, as appropriate.

We base our investment philosophy upon the belief that the primary driver of a benefit fund's investment return is its asset allocation structure. We believe that to achieve higher investment returns, a benefit fund should increase its exposure to higher risk/return asset classes, but mitigate risk through a diversified structure of asset classes that are not highly correlated with each other.

Our consultants and research team regularly examine our strategic asset allocation process to ensure that it is robust and meaningful, but we do not make changes simply in response to changing economic circumstances. The strategic allocation is based on long-term expectations and it should not be changed based on short-term fluctuations in the market. We want to ensure that the plan is in an optimal position for long-term outperformance. Occasionally, the plan and the consultant may incorporate tactical views into the asset allocation, but these are typically minor tilts and only appropriate for those clients willing to introduce the additional risk involved with those positions.

Trustees are involved at each stage of the process, from asset allocation studies, education on asset classes and implementation of strategic decisions. We believe the key ingredients in meeting such objectives are as follows:

A. Developing and maintaining a clearly defined Statement of Investment Policy which spells out the following:

- The benefit fund's goals and objectives
- An asset allocation structure that will provide the benefit fund with a reasonable opportunity to meet its goals and objectives (see detail below, in regards to the process we follow to set an appropriate asset allocation)
- An investment manager structure that fits within the fund's asset allocation structure
- Guidelines and benchmarks for each investment manager

B. Administering the investment program consistent with the Statement of Investment Policy.

After the Investment Policy Statement has been set, we believe that the benefit fund's ongoing success is increased by adhering to the disciplines of the Investment Policy Statement. These disciplines include the following:

- Rebalancing to the benefit fund's asset allocation targets either through cash flows or the transfer of assets between managers if the fund's actual allocations are significantly different than the fund's stated targets.
- Consistent with the rebalancing of asset classes, we also believe in rebalancing within an asset class due to the cyclicality of asset class styles.
- Monitoring the investment managers to ensure that they are sticking to their stated discipline and meeting the benefit fund's diversification and return objectives.

C. Making changes to the Investment Policy Statement, as appropriate.

Since a client's goals and objectives are not static in nature, MCG seeks to review with the Trustees the Fund's Investment Policy Statement (including the asset allocation structure) on a periodic basis and make changes as appropriate. When making changes, however, it is important to have the commitment of both the investment Consultant as well as the Trustees (or an Investment Committee of the Trustees) in order to accomplish the following:

- To educate the Trustees on Investment Policy Statement changes being considered (such as allocating to a new asset class, changing the target allocation, modifying a manager's guidelines, etc).
- To interview and select additional or alternative investment manager candidates.

D. Measuring Success.

In order to measure the success of the investment program, MCG provides independent and objective reporting and analysis consistent with the goals, objectives and guidelines as detailed in the fund's Investment Policy Statement. Such reporting will clearly allow the Trustees to measure the success of the investment program for the benefit fund in total as well as at the individual manager level.

In addition to our procedures for the monitoring of manager performance and portfolio characteristics, MCG's Consultants and Account Managers have frequent contact with each of their benefit fund clients to assist in all aspects of administering the client's investment program. Such contact includes the following:

- Assisting the Fund Administrator and attorney in negotiating new investment manager agreements as well as the negotiation of lower fee schedules
- Assisting the Fund Administrator in determining where to draw assets for the funding of the client's benefits account or to satisfy a private equity capital call. Such draws need to be made in a manner to maintain compliance with the benefit fund's Statement of Investment Policy.
- Assisting the Fund Administrator in writing of letters of direction for the purpose of:
  - Reallocating assets among managers in order to improve compliance with the benefit fund's Statement of Investment Policy

24. Describe how benchmarks are chosen or developed and how performance is compared to similar portfolios. Can your firm provide custom benchmarks? Please indicate whether the firm has ever developed benchmarks for a jointly-trusteed benefit fund and if so, provide a description of the benchmarks developed and the method used in developing the benchmarks.

In general all of our clients utilize a customized internally generated set of specific benchmarks for the total fund and sub asset classes.

Performance benchmarks for total fund are chosen and constructed based upon the structure and asset classes outlined in the Statement of Investment Policy. Total plan performance is measured against MCG's proprietary peer universe of other Taft-Hartley benefit plans as well as against an independent, third party plan universe provided by the Wilshire Co-operative. In addition, a customized blend of market returns in proportion to the policy's asset class targets is constructed. The market indices utilized for the total plan are established after discussion with the Board and Plan staff. Some plans favor broad based market indices while others prefer numerous style specific indices. In addition, a custom benchmark based upon actual allocation of assets may be used in addition to the benchmark of a static asset mix.

In addition to total fund benchmarks, most of our larger plans benchmark specific asset class combos such as an equity manager combo compared to broad industry benchmarks. This would assist with attribution and performance analysis of the specific asset classes.

Individual managers are benchmarked against the index or measure agreed upon in the Statement of Investment Policy. For some managers there may be multiple benchmarks such as a style specific benchmark alongside a broad market benchmark. Benchmarks are customized for each client and manager situation.

25. Does your firm maintain internally or otherwise have access to a jointly-trusteed benefit fund database for peer group comparison purpose? If so, please describe such database in detail, including (1) the composition of the database (especially in terms of its representation of the jointly-trusteed pension fund universe), (2) how the database is maintained and updated, and (3) how the database can be used to compare and rank the Funds in terms of risk, returns, asset allocations, and portfolio structure?

MCG maintains an in-house database of Taft-Hartley fund performance, the largest in the industry.

Our proprietary performance universe consists of nearly 350 plans. Our plan-level universes are derived entirely from the performance results of actual plan sponsor data.

Comparative peer universe results, at both the plan and managers levels, are constructed internally on a quarterly basis. These universes are then used by our clients to see how their total plan and underlying managers compare to other plans and their managers.

We review all internal Plan Universes data to outside databases such as Wilshire's Taft-Hartley Plan Universes to review the performance versus other peer universes. We believe our universe is extremely robust and we are often asked to join other outside databases to raise the number or funds in comparable universes.

Additionally, internal databases for investment manager comparisons are also constructed and maintained internally. The sources of our universes are primarily from the accounts that are managed for our clients and we supplement those with a separate account portfolios from third party universe data from a number of sources such as eVestment Alliance.

26. Describe in detail the experience and expertise of your firm, and the primary consultant in particular, in alternative investments, including valuing hard-to-value assets.

Both Michael and Sue have extensive experience in the alternatives areas of the market.

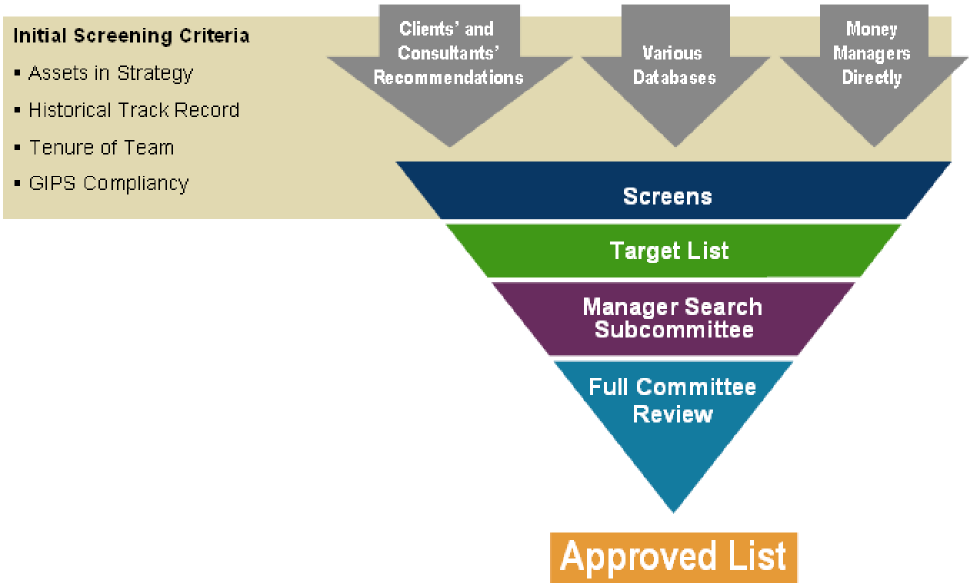
Sue has evaluated private equity, hedge fund and real estate since the early 1980's. Later as part of another large consultant, Sue worked as Alternative Practice Leader. In addition having hands on investment experience with a hedge fund contributes to her overall expertise in the alternatives area. Drawing on his prior experience as ERISA counsel, Michael has worked extensively with clients and plan advisors with respect to development and implementation of best practices with alternative investments. This has included development of supplemental provisions to partnership documents involving items such as reporting, transparency and valuation methodology.

Since its founding in 1988, MCG has been advising and assisting its clients with respect to illiquid and hard-to-value investments commonly found in alternative investment products. In the early years, this focused primarily on real estate and private equity assets, but has expanded to include hedge fund related and other opportunistic investments. MCG has a formalized approach to evaluating and analyzing managers and products in alternative asset classes. MCG applies a consistent process in its initial and ongoing due diligence efforts. One of the integral parts of the initial and ongoing due diligence process is careful consideration of liquidity profiles and valuation procedures for the assets. We thoroughly understand how the manager valuation process is conducted and checks and balances in the process. On an annual basis, MCG collects the audited financial statements and reviews the classification of assets (Level I, Level II, Level III) as mandated by FAS 157. Any concerns are subsequently discussed with the manager. In addition, as the liquidity constraints are also extremely important, we conduct liquidity analysis on the alternatives portfolio within the overall portfolio to evaluate the cash needs of the clients versus the total portfolio liquidity profile.

27. Describe your firm's process for the evaluation and recommendation of investment managers for a client, including a sample due diligence matrix if applicable. Include how the firm evaluates a manager's performance, personnel and organization, investment philosophy, investment style(s) and products, research and/or modeling capabilities, financial condition, client service and fees. How is the accuracy of performance numbers determined?

MCG uses the process described below to evaluate and select investment managers.

Gathering Manager Information: The diagram below illustrates that the primary sources for potential investment manager candidates are threefold: 1) direct contact with investment managers who already work with our clients and recommendations from MCG Consultants, 2) database subscriptions, and 3) direct solicitation by a large number of investment managers wishing to introduce their products and services to us.



Review Process: Given the vast amount of resources required to perform our due diligence of investment managers, our approach is to narrow down the universe to a small robust group for each asset class.

- We begin the process by quantitatively screening firms that meet our criteria for successful investment managers for instance, an established track record managing assets for institutional clients for a number a years.
- Once a manager passes this initial screening, we then evaluate the manager on a number of other qualitative factors including, but not limited to:
  - Organizational history and ownership
  - Staff
  - Investment philosophy and process
  - Risk management
  - Corporate governance and legal issues

- Next, a face-to-face interview is arranged with representatives of the investment manager. These interviews provide a more in-depth understanding of an investment manager's decision-making process and performance. In addition, we will collect quarterly performance and other data in order to perform a more thorough quantitative analysis. We may also schedule an on-site visit of the manager's office and check their references. For alternative asset managers, on-site visits regularly occur.

Investment Consulting Process: Manager Search

Client Search		
Qualitative & Quantitative Assessment	**Qualitative** ▪ Verify search information ▪ Understand client objectives ▪ Review existing client portfolio ▪ Determine appropriate style fit	**Quantitative** ▪ Performance analytics ▪ Risk measurements ▪ Correlations
Subcommittee: Manager Search Group	Analyst recommendations	
Roundtable Meeting	Final decisions by full committee ▪ Occurs monthly ▪ Forum for debate ▪ All consultants, research department, and Fiduciary Services	
Trustee Meeting	Final presentation and selection	

- After these steps, we will continue to monitor as needed the investment manager's quarterly performance data and portfolio characteristics to gain a perspective on how their investment process works over time and under various market conditions. This also gives us an assessment of their risk management controls.

Our Research Analysts continually evaluate managers and present a select few to our Due Diligence Committee, which consists of Consultants and Research professionals, for final approval. It is only after fully satisfying the Due Diligence Committee that an investment manager is eligible for inclusion in a search for a client.

Search Process for Clients: MCG's search process seeks to identify and evaluate candidates for a client search, including an exhaustive review of both quantitative and qualitative factors, detailed in the diagram above.

Our qualitative assessment is a critical element for identifying investment managers we expect to outperform in the future. Investment managers must possess:

- A proven record of consistent and solid investment performance
- A verifiable investment process
- Stability of key personnel

- The ability to clearly communicate their investment process and results

We also evaluate the impact of an individual manager's strategy on a client's total portfolio. Our goal is to identify managers that will complement existing managers, especially during volatile markets.

Furthermore, we evaluate managers compared to their peers based on a number of factors including:

- Investment team stability
- Historic returns and risk
- Rolling period analysis
- Style consistency
- Up/down market capture

Manager Search Subcommittee Review: Following this comprehensive assessment, the analysts then defend their search recommendations with their peers. The candidates ultimately selected by the Manager Search Subcommittee are then recommended to the Due Diligence Committee at a monthly "Roundtable Meeting."

Due Diligence Committee "Roundtable Meeting:" A collective discussion and review by a Committee of consisting of consultants and Research staff, which is the final step in the search process before managers are recommended to clients. All manager characteristics, both qualitative and quantitative, are vetted. The consultants' collective experience and in-depth knowledge of their clients is combined with the Research analysts' knowledge of the investment manager.

The end results are unbiased recommendations of investment managers considered to be the best in their asset class and that meet the needs of our clients. The average turnaround time for a search is about six weeks.

Trustee Interviews: The search process culminates in a series of interviews between the investment managers recommended by MCG and the Fund's Trustees. These interviews allow a collective assessment of which investment manager will best fit the fund's needs.

We attribute the success of our manager selection process to the following:

- An exhaustive and continual process to: identify, analyze, and monitor successful investment managers.
- Every investment manager presented for our clients' consideration is subjected to the same stringent due diligence process that requires approval by both MCG's Consultants and Research staff.

We do not have business relationships with any investment advisory firm, and there is no exclusivity among those firms that we recommend for our clients for consideration.

Verifying Accuracy of Returns

On an ongoing basis, we require monthly custodial data (i.e., transactions and asset holdings on each account, preferably in an electronic format) in addition to requesting that the client's investment managers provide monthly information for reconciliation purposes via our secure web portal. This manager information includes total portfolio market values and returns as well as certain fixed income characteristics (characteristics apply to fixed income managers only).

Starting with the separate account's portfolio's market value as of the end of the preceding month, all portfolio activity is entered into our in-house computer system as reported on the custodian's statements. Depending on the Fund's Custodian, the data can come either electronically or in a hard copy. This data is received on a monthly basis, manager performance is calculated monthly. Prior to the calculation of an investment return, all portfolio data is subjected to a balancing procedure.

At the end of this process, if our in-house ending market value does not balance with the custodian's statement, we will not proceed with our performance calculations until the discrepancy has been resolved.

After our system balances with the custodian's statement, we calculate the portfolio's rate of return and portfolio characteristics.

Investment managers are not required to be GIPS compliant; however MCG requires that investment managers calculate their performance according to GIPS standards if they have not been officially verified as GIPS compliant. Composites of managers must be GIPS compliant. We ask the firm to provide us with quarterly performance and portfolio characteristics on specific accounts or model portfolios in order to perform our quantitative analysis. We also check references and evaluate the performance of the individual accounts that comprise the firm's performance composite.

We also collect the rate-of-return calculated by the investment manager and compare it to the rate-of-return we have calculated using custodial data. Any differences between the two are clarified before proceeding with the completion of our performance reports.

28. How many manager searches has your firm conducted in the last three (3) years, broken down by asset class? Of these searches, have any recommended managers that were hired by clients been subsequently terminated? If so, how many and why?

Asset Class	Number of Searches
Equity	255
International Equity	91
Fixed Income	224
International Fixed Income	63
Emerging Markets	9
Alternative Investments	299

Less than 5% of manager products we have recommended have been terminated or replaced.

29. Describe your firm's manager database and how your firm gathers, verifies, updates, maintains and analyzes the data collected on managers for the database. How many managers are contained in the database? Describe the screening variables and capabilities of the database. Describe the capability of providing custom client reports.

MCG currently has over 850 investment products *approved* from over 200 of the best managers in the world in our proprietary manager database.

In addition, MCG research analysts are constantly screening for and analyzing products for potential approval across all asset classes, including equity, fixed income, hedge fund of fund, private equity fund of fund, diversified beta, commodities, real estate, and infrastructure. Our databases, including eVestment Alliance, Morningstar Direct, Pertrac, and Venture Economics allow us to monitor a wide variety of performance criteria, including calendar and rolling period performance relative to benchmarks and peers, as well as view a variety of statistics, including tracking error, information ratio, up and down capture ratios, among others. Characteristics are analyzed at a product level and vary depending on the asset class, but may include statistics such as sector distribution, geographic distribution, valuation, and market capitalization distribution, among others. In addition, we monitor performance attribution analytics to assess how each type of product achieves its performance.

Qualitative information collected and analyzed by MCG's research team includes firm ownership, investment team, portfolio manager(s), firm and product process and philosophy, risk and operations for the firm and product, and recommended "strategic fit" for a product within a client's broader portfolio allocation. In addition, MCG research compiles a list of "positives" and "areas to monitor" for each product within our approved universe.

Our software can screen investment manager performance by every return and risk data type for multiple time periods. Qualitatively, we screen managers by investment style, assets under management for a particular strategy, and the tenure of the portfolio management team.

We have the ability to customize many client reports, as we utilize a combination of external and internal resources into a customized reporting system

30. Describe the experience and capabilities of your firm, and the primary consultant in particular, in analyzing and monitoring managers. Specifically, include the monitoring of performance, risk style integrity, contract compliance, account restrictions, activities creating potential conflicts of interest, reporting requirements, and trading costs (including foreign exchange).

With a combined 50+ years of experience on the part of the consulting team we have proposed, the monitoring and analyzing of investment managers is comprehensive and deep. Both Michael and Sue have experienced several market cycles and watched the evolution of managers from bank and insurance companies, to independent asset managers some who have prospered and others who have lost the investment edge due to culture changes, buyouts, asset gathering, lack of accountability and many other factors. Importantly it has taught them to understand the qualities that keep a manager at the highest levels, keep integrity to the process and consistency in style.

The performance reports have quantitative evaluation factors across risk, and style spectrum to help with analyzing the managers on an ongoing basis. However, the qualitative judgments that come from years of experience are in the end the value-add to the process, in our judgment.

Variables to evaluate managers should be tailored to the specific style that is being evaluated. For example in the area of specific risk characteristics the performance attribution includes sector, stock selection and trading metrics. This is important in evaluating fundamental managers or tracking error for evaluating the quantitative manager and the stated style drift versus a benchmark.

In the area of guideline compliance we have developed policy language which has been utilized by clients to assist with monitoring of investment managers' compliance with policy provisions. Contract compliance will vary depending on the style and type of investment vehicle and involvement from plan counsel.

For trading cost evaluation, MCG also can provide its clients with a Commission Report on a quarterly basis which details commissions paid by the plan's underlying managers. Variables measured within this report include volume traded per broker (i.e., in nominal, dollar and percentage terms) and trading costs for each broker (i.e., in total dollars and per share cost).

Finally, detail on our full stable of risk analytics within our performance reports are outlined below. The analytics are reported on a portfolio and associated benchmark level and include the following (depending upon asset class):

- Standard Deviation, Semi-deviation and Tracking Error
- Sharpe, Sortino and Information Ratios
- Historical Beta, R-squared, SEIR, Correlation
- Upside/Downside Capture Ratios
- Convexity
- Drawdown (maximum, duration, time to recover…etc…)

Characteristics and Style Analysis

MCG includes a robust offering of characteristics to help our clients understand the drivers of their manager, program and total plan's performance relative to their associated benchmarks. These characteristics also form the foundation for the style analysis we provide our clients and include the following (depending upon asset class):

- Market Capitalization, Dividend Yield, P/E and P/B Ratios
- Duration, Current Yield, Yield to Maturity, Quality
- Sector and Country Allocation (equity)
- Duration and Sector Allocation (fixed income)
- Sector and Region Allocation (alternative assets)

Conflicts of Interest

Our Research analysts review a manager's business model for possible conflicts of interest issues during the initial Due Diligence process. We do not recommend managers who could have a potential conflict of interest in their investment decisions. For managers affiliated with larger financial institutions, like banks, we specifically inquire about the rules and safeguards in place regarding interaction with the parent company. For firms that are owned by public companies, we review the publicly available information and of course through our proxy services we integrate our governance overview into the process.

31. Describe the experience and capabilities of your firm, and the primary consultant in particular, in analyzing and monitoring minority management firms and brokerage firms.

MCG initiated its Emerging Manager program in May, 2007 with the objective of seeking out newer, smaller firms which employed institutional quality portfolio managers and analysts.

Our approach to analyzing and monitoring women and minority-owned management firm follows the same due diligence process we use for all investment management firms. However, in 2007 MCG launched an *Emerging Manager Search Program* which targets minority and women owned firms as well as smaller investment management firms. Here's a brief summary. We:

- Define emerging managers as having less than $500 million in assets under management and a track-record of less than three years.
- Look for the next generation of top performing managers for our clients.
- Focus more on qualitative analysis as opposed to quantitative analysis due to shorter track records.
- Is open to all asset classes utilized by MCG's clients, thus affording more opportunities for the emerging managers to be selected than if the search was limited to one style of management.

32. Discuss in detail your performance attribution analysis. How does it handle alternative investment portfolios?

Attribution analysis is performed on managers to determine how they achieved their stated returns. Specifically, we monitor each manager's security selection, sector allocation, and trading efficiency relative to the benchmark. For bond manager this includes duration, maturity distribution and quality mix. Each of these factors is broken out to show how each contributed to the overall performance of the investment vehicle. Attribution analysis is a helpful tool for evaluating new managers and monitoring whether an existing manager is delivering alpha in the manner we expected. It is applicable to international portfolios and both equity and bond portfolios. MCG calculates attribution for equity managers in-house, and those exhibits are part of our quarterly performance reports. MCG also utilizes the Morningstar Direct's Total Portfolio Attribution Application at the plan level, which measures the contribution to return from domestic equities (large/mid/small), international equities, fixed income, real estate, private equity, and hedge funds.

For alternative investments we utilize Pertrak analytics (in the hedge fund space) and supplement this data with internal reports which combine managers' portfolios. For private equity we have developed a proprietary roll up and analysis for our client's portfolios which are delivered on a yearly basis. This analysis looks at IRR's by vintage year performance and by underlying style buckets (large buyout, mid buyout, venture, secondaries, etc.). The portfolio of each private equity investment is rolled into a total portfolio and cash flow projections are provided to assess the investment versus the stated commitments to target portfolio levels. For real estate we analyze the underlying investments by asset type, geography, portfolio level contribution, leverage, etc.

33. Please provide a sample quarterly performance report. How soon after quarter-end is the report available? What is included in the standard reporting package to your clients?

Our standard performance reports are generally available four to six weeks following the close of a calendar quarter because we use custodial data and develop extensive and appropriate universes.

Our account managers produce monthly preliminary or "flash reports" to identify the most current state of the plan that shows the plan's total return versus its custom index, as well as the manager returns versus their applicable indexes. This report also profiles the current market value of the plan and assists the client in decisions regarding rebalancing. A flash is provided using index returns if a client needs an indication of return quickly after month end. A flash can also be produced utilizing manager returns if it is about a week after month end, timing depends on the ability of the managers to provide data.

Please see **Appendix IV Sample Quarterly Performance Report**

34. Please discuss the use of performance based fees, asset based fees, flat fees and any other fee structures you may recommend for use with external managers.

In a perfect world, a low flat fee for asset management would be best for investors. . We have not been impressed with the arguments for performance based fees listed below.

- The manager needs the incentive to do better. If that is the case we believe you should find a new manager.
- The manager's fees are too high. If that is the case negotiate them lower or find a new manager.
- Let the manager share the consequences of poor performance. Performance based fees are one-sided. If a manager outperforms their benchmark, they receive a bonus. If they under-perform, they still receive a base fee. There is rarely a hurdle requirement.

Where we have been successful in negotiated performance based fees, they include rolling period standards, hurdle rates and very low base fees.

35. Describe your firm's criteria for recommending a manager be placed on probation, removed from probation, or replaced.

Our *approved* and *targeted* managers are reviewed on a regular basis. If we have temporary concerns or ones that we deem transitional in nature, we will place the approved or incumbent manager "On Watch." These concerns might include: 1). turnover of Portfolio Managers or other key decision makers in the firm, 2.) change in ownership structure, or 3.) sustained periods of underperformance both absolute and/or relative to peer and other metrics. Watch-list guidelines are specifically set up on a client-specific basis. If a manager is placed "On Watch", the Research Department changes the status of the manager in MCG's internal manager tracking system, makes a note detailing the change in status, attaches any relevant notes from communication with the investment manager, and sends out a detailed communication to MCG's Consultants. The "On Watch" period typically lasts for one full year before a reassessment can take place. During this period, the manager is not included in any investment manager searches for clients.

In terms of termination, there are no simple rules for deciding when a manager should be terminated. We have an obligation to both the client and the manager to fairly evaluate the circumstances and make an appropriate recommendation. If the dissatisfaction stems from an organizational change, such as a team lift-out or firm acquisition, the decision to terminate may be made quickly. If the dissatisfaction stems from underperformance, we may wait before making a decision if the manager's strategy is unique and requires multiple years to play out.

We will recommend terminating a manager if:

- key decision makers are replaced and the succession plan is inadequate
- the firm is deteriorating, with declining assets, weak resources, and no clear strategy
- the manager starts taking excessive risks or making significant shifts to their strategy

- the manager fails to adequately explain underperformance and there are no compelling reasons to expect performance to turn around.

Termination is a difficult decision and it requires a thorough understanding of the manager's philosophy and strategy. Lastly, there can be benign reasons for a termination, such as when plans merge or when a client needs to diversify their portfolio or raise funds for new mandates

36. Describe your firm's experience and capability for implementing a manager transition plan. What factors are considered in developing a transition plan?

We have extensive experience working with clients on manager and custodian transitions, and have assisted our clients in hundreds of manager transitions over the past 25 years. Our vast network of contacts among investment managers and custodial banks enables MCG to facilitate and monitor any manager transition. Depending on the event, we may recommend the engagement of a transition manager.

Factors that we review include structure of the transition (new funding or termination), costs of the service, commissions, market impact, experience of a transition firm, use of cross trading arrangements, and the pre- and post- trade analyses which can be provided. We provide advice and assistance at every step and have coordinated many large transitions and re-balancing.

When a client is undergoing a manager transition, we work closely on that account to ensure that the transition happens smoothly. We have a vast network of contacts among investment managers and custodial banks and this enables MCG to facilitate and monitor any manager transition.

- The major factors in a transition include:
- Timing: the length of time it takes to execute the transfer of assets
- Cost: the costs associated with trading, contribution/withdrawal of funds, and market impact
- Holdings: transfers in-kind between the old and new managers
- Verification: confirmation that the transfer is complete and all assets are accounted for

For complicated portfolios or asset classes which are custodied at second or third tier custody banks, we will, if necessary, seek a transition manager to facilitate the event. We have worked with different transition managers and understand the different revenue models and the differences in pre- and post-trade analyses. We consider a manager's prior performance doing MCG client transitions, their reputation and business model, their transparency, and the pre-trade analysis when recommending a transition manager for a client. The search for a transition manager is included in the MCG fee, but there may be other trade costs associated with executing that transition.

37. What do you consider is the most significant recommendations your firm has made to a large sophisticated benefit fund? Specifically, what value was added and how does this recommendation demonstrate a "unique" insight or value that your firm would bring to the Board's relationship, such as in the area of valuing hard-to-value assets.

MCG believes that significant value added will and has come from asset allocation viewpoint. Our goal is to reduce the volatility of the pension fund return while maintaining a return above the actuarial assumption. This is not an easy feat in the current market environment with bond yields at historic lows and requires that the Trustees in conjunction with MCG explore an asset mix and sub asset investments that are out of the “peer norm”. We have been successful in moving many clients to a lower volatility strategy which utilizes non correlated assets to improve portfolio diversification and return per unit of risk. The success of the approach is found in the above average performance profile of the clients who have adopted this approach.

38. Please identify the most challenging or difficult problem that your firm has encountered regarding a jointly-trusteed benefit fund issue and explain how the firm's recommendations were either successful in resolving the problem or not. Do you believe that the recommendations demonstrated the firm's ability to succeed where others may not have been as successful? If so, why?

In recent years the most challenging issues that MCG has faced with our clients is the result of PPA zone status management. Due to challenges that have resulted from the combination of PPA, the financial crisis, low levels of business activity (low contributions) and plan demographics (mature plans and high retiree benefit levels), many Jointly Trusteed Plans are faced with a future that is uncertain at best and results in a projected insolvency in many cases. We cannot speak to what others have done or solutions they have provided, but we feel we have worked diligently and successfully with clients to provide solutions that:

- Push out insolvency
- Manages the volatility so as to provide a higher probability that the Plan can mitigate year to year changes in Plan return.

  At the end of the day, we feel that these cases are the most difficult as there may be no way beyond changes in the law (mergers etc.) to ultimately resolve the Plan issues. We feel at best we can help to continue to provide the full benefit to participants for as long as possible and help to ensure a quality of life for the participants.

39. Please describe your firm's experience and capability in providing education and training to benefit fund trustees.

We approach each quarterly Trustees’ meeting as an educational session. More specifically, MCG’s educational programs are not confined to specific programs or publications. Our consultants spend a considerable amount of time educating individual clients on a variety of topics ranging from private equity, risk parity strategies and hedge funds to the basics of asset allocation. We feel that Trustees can make better decisions for their participants when they have a thorough understanding of a particular asset class or concept. This is done at quarterly Trustees meetings or special meetings.

Over the past several years, in order to improve our client benefit fund's return potential, we have recommended allocations to the alternative asset classes such as private equity and hedge fund of funds. Due to the complex nature of the alternative asset classes, we will not perform a search for a client in these asset classes until we have performed suitable levels of education so that the Trustees understand their nature and risks.

Each year we conduct an educational client conference and present in-depth presentations and discussions on specific investment topics. The presentations are prepared and presented by the consultants and other key personnel of MCG. This conference is available exclusively to our clients; no investment managers have ever sponsored our Client Conference.

In addition to the Client Conference, we have provided individual training for clients who have been able to set aside time for us to do so, typically one-half day sessions.

We also periodically produce white papers and research reports on the investment topics that affect our clients. We have a quarterly newsletter that accompanies performance reports that keeps our clients updated on our firm, our clients and any significant changes in the industry.

40. Please include an example of a special project you performed in the past for a jointly-trusteed benefit fund client, for example, in the area of evaluating alternative investments.

MCG performs many types of special projects for clients. Any area of need for each client that demands a special or customized approach is provided at no additional charge. The types of project include, special fee analyses, specialized attribution including sensitivity to rising interest rates (of particular interest of late) and specialized asset allocation modeling including factor studies and full portfolio look through analysis.

In the area of alternative strategy we have done many projects including; review of infrastructure, commodities (long and long/short such as global macro and CTA), hedge fund strategies (including creation on completion portfolios), private equity including cash flow analysis, forecasting and specialized reporting.

Please see **Appendix V Infrastructure Study**

LEGAL ISSUES AND POTENTIAL CONFLICTS

41. Is the firm, and/or its parent or affiliate, a registered investment advisor with the SEC under the Investment Advisers Act of 1940? If not, what are its fiduciary classifications? Please state whether the firm is or is not a fiduciary or QP AM (as those terms are defined by the Employee Retirement Income Security Act of 1974 (ERISA).

MCG qualifies as a fiduciary pursuant to Section 3(21) of ERISA. MCG has been registered as an Investment Advisor under the Investment Advisor Act of 1940 since February 1989. MCG contractually accepts fiduciary responsibility for all of its clients under ERISA and acknowledges that it is a fiduciary pursuant to Section 3(21) of ERISA.

MCG does not serve as a QPAM.

42. Please provide a copy of the firm's most recently filed Form ADV, Parts I and II, with all schedules.

Please see **Appendix VI Form ADV Parts I and II**

43. Has the firm, the primary or secondary consultants, or another officer or principal been involved in any litigation, arbitration, mediation, or other legal proceedings, or government investigation, or regulatory proceedings, involving allegations of fraud, negligence, criminal activity or breach of fiduciary duty relating to benefit consulting activities? If so, identify and provide an explanation for each and indicate the current status.

In June, 2010, a former investment advisory client of MCG's filed a suit against MCG which alleges MCG breached its fiduciary duties to the former client regarding the former client's investment in a fixed income fund. MCG had previously assisted the former client in recovering roughly two-thirds of its claim from the manager of the fixed income fund. The manager admitted its personnel violated internal guidelines and the manager and two of its former senior executives were sued by the SEC. MCG denied any liability to the former client. In December 2012 the parties agreed to resolve this matter amicably. The case has been dismissed, but the specific terms of the settlement are confidential.

In March of 2010, MCG filed a suit for declaratory judgment to allocate responsibility between itself, a third party administrator for a client, and former investment manager for the client regarding a tardy transfer of funds from the former investment manager to a new investment manager. The parties have agreed to resolve this matter amicably. The case has been dismissed, but the specific terms of the settlement are confidential.

On April 22, 2013, MCG was sued in the United States District Court for the Eastern District of New York by the Empire State Carpenters Welfare, Annuity and Pension Funds ("Empire State Carpenter Funds") as the statute of limitations was about to expire. MCG was never a service provider to the Empire State Carpenter Funds. MCG did provide services for a limited time to certain Carpenter benefit funds located in Upstate New York ("Upstate New York Carpenters") that merged into the Empire State Carpenter Funds. The Empire State Carpenter Funds are engaged in separate litigation with former trustees and service providers.

The suit the Empire State Carpenter Funds has filed against MCG alleges MCG breached its fiduciary duties by (1) not advising the Upstate New York Carpenters that asset allocations to investments with exposure to Bernard L. Madoff were not sufficiently diversified and (2) not conducting adequate due diligence on certain investments the Upstate New York Carpenters made with exposure to Bernard L. Madoff. The Upstate New York Carpenter Funds had investments with exposure to Bernard L. Madoff long before MCG was retained by them and that exposure was maintained by the Empire State Carpenters after the Upstate New York Carpenters merged into them. The Upstate New York Carpenter Funds consistently told MCG that they were opposed to lowering their exposure to Bernard L. Madoff. MCG denies any liability and will vigorously defend the suit.

44. Please describe the levels of coverage for errors and omissions insurance and any other fiduciary or professional liability insurance your firm carries, including a list of insurance carriers supplying the coverage.

We maintain $25 million in professional liability insurance as well as a $20 million fidelity bond for our Fiduciary Services clients. Our insurance coverage is as follows:

CARRIER:	**Houston Casualty Company**
Type	Primary Investment Advisor’s Errors and Omissions Directors and Officers/Employment Practices/Fiduciary Liability
Beneficiary	Marco Consulting Group
Limits of Coverage	$10 million

CARRIER:	**Axis Insurance Company**
Type	Excess - Investment Advisor’s Errors and Omissions
Beneficiary	Marco Consulting Group
Limits of Coverage	$5 million

CARRIER:	**XL Specialty Insurance Company**
Type	Excess - Investment Advisor’s Errors and Omissions
Beneficiary	Marco Consulting Group
Limits of Coverage	$5 million

CARRIER:	Ace American Insurance Co.
Type	Excess - Investment Advisor's Errors and Omissions
Beneficiary	Marco Consulting Group
Limits of Coverage	$5 million

	Hartford Fire Insurance, Co.
Type	ERISA Fidelity Bond
Beneficiary	Marco Consulting Group
Limits of Coverage	$20.5 million

45. Explain in detail any potential for conflict of interest that would be created by your firm's consultancy for the Board.

None

46. Describe any relationship the firm or an affiliate of the firm enjoys with the Fund and/or any employee organization that represents the Fund or its employees and/or any employer that contributes to the Fund on behalf of its employees.

MCG currently provides proxy voting services to the Fund.

47. Does your firm or its parent or affiliate, manage money for clients or manage a fund-of fund for clients? How does your firm prevent conflicts of interest or appearance of conflicts?

No

48. Is your firm, or its parent or affiliate, a broker/dealer? If so, does your firm trade for client accounts through this broker/dealer? How does your firm prevent conflicts of interests or the appearance of conflicts?

No

49. Does your firm charge direct or indirect fees for investment managers to be included in your firm's database or in any manager searches that you conduct on behalf of your clients or for attendance or participation in any conferences that your firm may conduct? If so, what are the fees? How does your firm prevent conflicts of interests or the appearance of conflict?

No

50. Does your firm sell database information and/or performance analytics to investment managers? Does your firm receive compensation directly or indirectly for such information? How does your firm prevent conflicts of interest or the appearance of conflict with the current investment managers of your clients?

No

51. In addition to the above, please describe any other circumstances under which the firm receives fees or other compensation from investment managers.

MCG provides proxy voting services for certain commingled index funds that are sponsored, owned, affiliated or used by its benefit fund clients, with the approval of those benefit fund clients. The commingled index funds are the AFL-CIO Equity Index Fund (managed by ASB Capital), the IBEW-NECA S&P 500 Index Fund (managed by ASB Capital), the Trowel Trades S&P 500 Index Fund (managed by Comerica Bank), the Longview Collective Investment Fund (managed by Amalgamated Bank, which has been owned by UNITEHere, with an ownership transfer now pending subject to Federal regulatory approval, to Workers United, which is an affiliate of SEIU), and SMA Large Company Funds (which is managed by Comerica Bank for MCG clients). MCG receives an annual hard dollar fee from the managers per the fee schedule described in the explanation above for Item 5. The fee is disclosed to MCG's clients who consider investing in these funds. MCG's fee (independent fiduciary services, full service consulting and proxy voting) is not affected by whatever decision is made on investing in those funds.

52. Please attach your firm's written policies and procedures related to conflicts of interest, if any.

Please see **Appendix VII Conflict of Interest Statement and Ethics Policy**

FEES

53. Please indicate your fee schedule.

Our annual cash fee proposal for the FELRA and UFCW Pension Fund is $205,000 based upon the information contained in the RFP.

If MCG is selected as the Funds' investment consultant, the separate proxy voting fee that is currently $6,000 would be included in MCG's overall investment consulting fee.

54. Would you charge separately for travel expenses? If so, explain in detail your policy.

Yes. MCG require reimbursement for reasonable and customary transportation and lodging expenses incurred by the Consultant in performing its duties for the Plan

55. What other costs or expenses might we incur with your firm?

A single, annual retainer fee, with the exception of reasonable travel expenses, covers all of MCG's services including special projects the Trustees may request.