

Investment Consulting Services

September 20, 2018

Mike Welker, CFA®

President/CEO

Howard County Retirement Plans





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OUR FIRM

Presenter Bio



MIKE WELKER, CFA®
President / CEO

Mike is the President/CEO of AndCo. At AndCo, Mike supports the consulting team(s) on select large client relationships. Along with helping service strategic relationships Mike also manages the day to day operations of the firm and is Chairman of the Executive Committee. Mike is a frequent speaker at industry conferences on a wide range of topics. He has also co-authored a white paper on independent consulting that has been referenced in major publications around the country.

Prior to joining AndCo, Mike worked for a leading institutional money management firm where he was responsible for asset allocation decisions and client servicing for institutional accounts. Mike also gained Wall Street experience working for a trading firm on the floor of the New York Stock Exchange.

Bachelor of Arts, Economics, Rollins College
Master of Business Administration, Rollins College Crummer Graduate School of Business
CFA® Charterholder
University of Central Florida, Finance Committee Advisory Board
Institutional Investor Advisory Board, Co-Chair – Founders Club
The Nehemiah Project



Fiduciary,



**without
exception**



Complete open
architecture with vendors

Truly Independent

- Fiduciary, without exception
- No licenses to sell products for a commission
- Complete open architecture with vendors
- Transparency – personal and professional tax returns open to your auditors
- Dedicated compliance team
- Conducted independent SEC Mock Audit in 2018
- Have never been sued by a service provider or client
- No fund of funds
- No direct or indirect manager compensation
- No competing lines of business
- No holding company to divert resources
- No headline risk / Safe choice

Institutional Focus
\$85 BILLION
AUA



100%

of profits are reinvested

Focused Resources

- Institutional focus (\$85 billion AUA)
- Investment consulting only
- 89 employees,
 - 20 CFA[®] Charterholders,
 - 6 CAIA[®] Members,
 - 3 CIPM[®] Certificants,
 - 4 CIMA[®] Designees,
 - 2 CPFA[®] Designees,
 - 29 advanced degrees
- Dedicated Research Team and Client Solutions Team
- 100% of profits are reinvested
- Employee owned and operated – Our interests are aligned



98%
Annualized
Client Retention

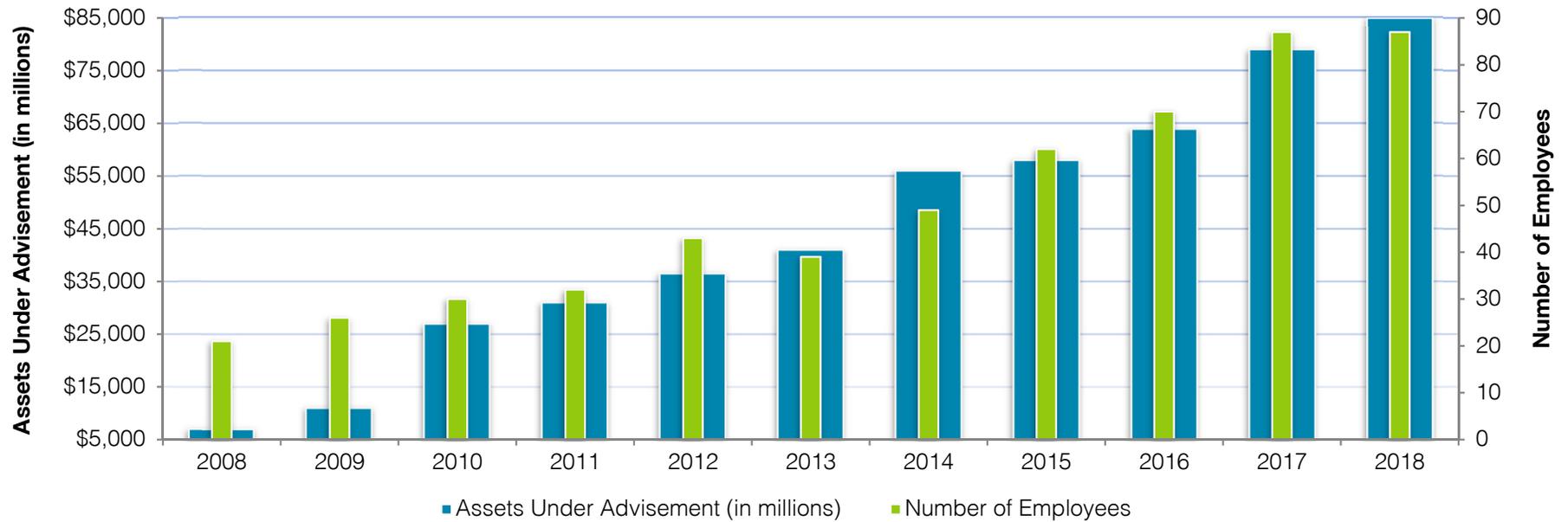


Client
Focus

Client Service Culture

- Long term partnerships / Client retention
- Investment professional employee retention
- Client focus
- Balance Creativity / Structure
- Service guarantee
- Passion to add value through diligence

Strategic Growth



- Close attention to client/consultant ratio and the quality of service.
- Profits reinvested into the business.
- Proactive in adding staff to enhance services and capabilities.

Resources Per Client

RESEARCH



Jeff Gabrione, CFA
Director of Research



Steve Jones, CFA
Head of Asset Strategies



Tim Kominiarek, CAIA
Head of Real Assets



Philip Schmitt, CIMA
Head of Fixed Income



Evan Scussel, CFA, CAIA
Head of Equity



Julie Baker, CFA
International



Brad Hess, CFA
Domestic



Kevin Laake, CFA
Domestic



Rob Mills, CAIA
Real Estate



Dan Osika, CFA
Asset Strategies



Kadmiel Onodje, CAIA
Asset Strategies



Matthew Ogren
Associate



Austin Brewer
Associate



- 3:1 Consultant to Researcher Ratio
- 2:1 Consultant to Client Solutions Ratio
- No Sales Goals
- Team Average Experience: 17 years

CLIENT SOLUTIONS



David Ray
Director of Client Solutions



Misha Bell
Client Solutions Consultant



Zac Chichinski, CFA, CIPM
Client Solutions Consultant



Jose Christiansen
Client Solutions Consultant



Amy Foster
Client Solutions Consultant



David Gough
Client Solutions Specialist



Kim Hummel
Client Solutions Specialist



Mary Ann Johnson
Client Solutions Analyst



Rosie Kieskowski
Client Solutions Specialist



Yoon Lee-Choi
Client Solutions Consultant



Donnell Lehrer
Client Solutions Associate



Annie Lopez
Client Solutions Analyst



Grace Niebrzydowski
Client Solutions Analyst



Jeff Pruniski
Client Solutions Consultant



Albert Sauerland
Client Solutions Consultant



Donna Sullivan
Client Solutions Consultant



Brooke Wilson
Client Solutions Consultant



AndCo – Risk Mitigation

- Professional Liability/Errors & Omissions Insurance - \$15 million
- Investment Adviser Directors and Officers Liability Insurance - \$15 million
- General Liability Insurance - \$2 million
- Cyber Liability Insurance - \$1 million
- Fidelity/Blanket Crime Insurance - \$1 million
- Workers Compensation and Employers' Liability Insurance - \$1 million
- Umbrella Liability Insurance - \$4 million
- Automobile Liability Insurance - \$1 million
- Employment Practices Liability Insurance - \$15 million

Experience

- 89 professionals, 33 consultants averaging over 20 years of experience, and includes:
 - 20 CFA® Charterholders
 - 3 CIPM® Certificants
 - 4 CIMA® Designees
 - 6 CAIA® Members
 - 2 CPFA® Designees
 - 29 advanced degree holders
- Top 10 largest INDEPENDENT consulting firm.
 - (Source - P&I-June 2017)
- Service over 690 institutional clients with \$85 billion in assets under advisement.
- Diverse backgrounds help prevent 'group think' and promote new ideas.
 - Portfolio managers, trust company executives, and product specialists

How do you protect yourself?

Ask, is your consultant:

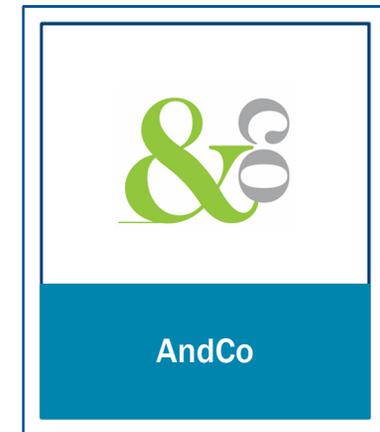
- Affiliated with a broker/ dealer?
- Licensed to receive 'other' income to sell you products?
- Involved in litigation?
- Owned by a holding company?
- Selling managed accounts, investments, or research?



<http://www.sec.gov/edgar/searchedgar/companysearch.html>



<http://www.finra.org/Investors/ToolsCalculators/BrokerCheck>



AndCo is an independent firm, 100% employee owned, and serves as a fiduciary to each of our clients, a role we accept without caveat or exception.

What We Are Not Differentiates Us

HOW ARE WE DIFFERENT?

▪ **We are not associated with any broker-dealer**

Many smaller firms partner with a large broker-dealer so they can list that firm's research and other resources when completing RFPs, often without acknowledging their clients will likely not have full access to, or a need for, those resources. They also sometimes fail to accurately disclose the potential direct and indirect conflicts of interest inherent in these captive relationships.

▪ **We hold no FINRA Series 6, 7, 63 or 66 licenses***

All of our consultants are required to relinquish these licenses as a condition of employment at AndCo for three primary reasons:

- FINRA holds licensed individuals to the "suitability standard," which is a lower standard of care than the ERISA Fiduciary standard AndCo contractually provides each client.
- An individual holding one of these licenses arguably has a higher duty to their broker-dealer employer than to the clients they serve.
- These licenses allow advisors to sell investment products and collect commissions. This is something AndCo will not do.



General Consulting Services Model



Asset Allocation Modeling

Determine Study Parameters

Appropriate asset classes

Capital Market assumptions

Contribution and spending policies

Risk/return profile and liquidity needs

Computer Modeling

Mean variance portfolio optimization

Monte Carlo simulations

Qualitative Overlay

Computer models bolstered with real-world experience

Asset illiquidity, fees, and restrictions

Report Formulation

Outlines straightforward recommendations

Qualitative and quantitative research

Easily understood by all Trustees

Review Return Assumption

Run analysis to get comfortable with return assumption and growth of assets to help support investment return.

Drives the support of IPS objectives and risk tolerances

Helps construct liquidity profile and overall asset allocation

Review Funding Levels

Analyze funding levels based on varying degrees of asset growth

Work with actuary to review benefit structure and actuarial assumptions prospectively

Monitor Contributions

Review contribution volatility

Discuss methods to eliminate any funding gaps

Report Formulation

Outlines reports for review and analysis

Qualitative and quantitative research

Easily understood by all Trustees



APPENDIX

Public Fund Experience:

- We have approximately 230 State, County and Municipal relationships around the country.
- We advise \$52 billion in the public fund space.
- We have over 30 consultants who service public funds. We have more contact with attorneys and actuaries each quarter than many of our competitors do in a year. We leverage this exposure with consulting calls to discuss what is happening with our clients.
- We have 26 public DB full service general consulting plans between \$250 million and \$17 billion. The majority of those are between \$250 million and \$2.5 billion. Similar size as Howard County Retirement Plans.

Sample Public Clients



**OKLAHOMA FIREFIGHTERS
PENSION & RETIREMENT SYSTEM**



**OKLAHOMA TEACHERS
RETIREMENT SYSTEM**



WEST PALM BEACH



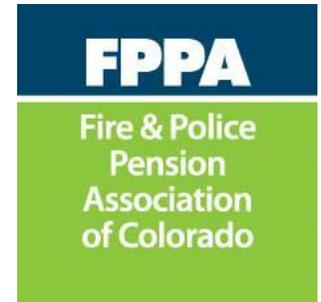
DALLAS
FORT WORTH
INTERNATIONAL
AIRPORT



LOPFI
Arkansas Local Police and Fire Retirement System



CITY OF NEW ORLEANS



**METROPOLITAN
WASHINGTON
AIRPORTS AUTHORITY**



OUC 
The Reliable One



Organizational Chart



MANAGEMENT

Mike Welker, CFA
President/CEO

Bryan Bakardjiev, CFA
Executive Director

Troy Brown, CFA
Executive Director

Steve Gordon
Executive Director

Kim Spurlin, CPA
Executive Director

CONSULTANTS

Jack Evatt
Director of Consulting

Dan Johnson
Director of Consulting

Doug Anderson

Annette Bidart

Mike Bostler

Jon Breth, CFP

Christiaan J. Brokaw, CFA

Peter Brown

Jennifer Brozstek

Mike Fleiner

Jennifer Gainfort, CFA

Brian Green

Tyler Grumbles, CFA, CIPM

Michael Holycross, CIMA

Ian Jones

Tony Kay

Brian King

Jeff Kuchta, CFA

Chris Kuhn, CFA, CAIA

Justin Lauver, Esq.

John McCann, CIMA

John Mellinger

Tim Nash

Mary Nye

T. Christopher Pipich, CFA

Howard Pohl

Kerry Richardville, CFA

James Ross

John Thinnes, CFA, CAIA

Brendon M. Vavrica, CFP

Tim Walters

Greg Weaver

Dave West, CFA

RESEARCH

Jeff Gabrione, CFA
Director of Research - Alternatives

Julie Baker, CFA
International

Brad Hess, CFA
Domestic

Steve Jones, CFA
Head of Asset Strategies

Tim Kominiarek, CAIA
Head of Real Asset

Kevin Laake, CFA
Domestic

Rob Mills, CAIA
Real Estate

Kadmiel Onodje, CAIA
Asset Strategies

Dan Osika, CFA
Asset Strategies

Philip Schmitt, CIMA
Head of Fixed Income

Evan Scussel, CFA, CAIA
Head of Equity

Matthew Ogren
Associate

Austin Brewer
Asset Strategies Associate

RETIREMENT SOLUTIONS

Jacob Peacock
Director of Retirement Solutions

Joe Carter, CPFA

Al DiCristofaro

Amy Heyel, CPFA

Paul Murray

CLIENT SOLUTIONS GROUP

David Ray
Director of Client Solutions

Misha Bell

Zac Chichinski, CFA, CIPM

Jose Christiansen

Amy Foster

David Gough

Kim Hummel

Rosemarie Kieskowski

Yoon Lee-Choi

Annie Lopez

Jeff Pruniski

Albert Sauerland

Donna Sullivan

Brooke Wilson

John Rodak, CIPM
Head of Onboarding/Data Mgt.

Meghan Haines

Mary Ann Johnson

Donnell Lehrer

Grace Niebrzydowski

OPERATIONS

Rachel Brignoni, CLSC
Director of Human Resources

Jason Purdy
Director of IT

Jamie Utt
IT Systems Administrator

Derek Parker
IT Systems Administrator

Jerry Camel
Director of Software Development

Tim Linger
Software Developer

Derek Tangeman, CFP, CIMA
Director of Marketing

Kim Goodearl
Head of RFP Team

Tala Chin
Marketing Analyst

Brandie Rivera
Controller

Bonnie Burgess
Office Administrator

COMPLIANCE

Matt DeConcini, Esq.
Chief Compliance Officer

Sara Searle
Compliance Officer

INVESTMENT COMMITTEE

Matt DeConcini, Esq.
Chief Compliance Officer (Moderator)

Jack Evatt
Director of Consulting

Jeff Gabrione, CFA
Director of Research

Dan Johnson
Director of Consulting

Jacob Peacock
Director of Retirement Solutions

 **89**
EMPLOYEES

29 ADVANCED DEGREES 

20 CFA  **6** CAIA  **3** CIPM 

AndCo Similarities to Summit

- Credentialed/Experienced Team Members
- Solutions Oriented
- Full Service Consulting – Advise/Oversee the entire portfolio
- Strong Client Retention Rate
- Excellent Reputation
- 100% Employee Owned / Employee Managed
- Geographic Footprint

- **Photographs**

- Some photographs in this presentation are redistributable under the Creative Commons license while some are the property of AndCo.

- **Data Presentation**

- Presented data were gathered from manager reports, eVestment Alliance, Morningstar Direct, Zephyr AllocationAdvisor, and Zephyr StyleAdvisor.
- Presented data are to the best of our knowledge correct. Due to market movements, the data presented may be different than the most current data.
- Past performance is not a guarantee of future results.
- This presentation may contain statements of future expectations, estimate, projections, and other forward-looking statements which may be subject to various uncertainties whereby the actual outcomes or results could differ from those indicated.

- **Assets Under Advisement & Figures**

- All assets under advisement (“AUA”) indicated throughout this report are current as of 12/31/2017. All other information and figures are valid as of the date of distribution, unless otherwise indicated.

Putting clients first.



CHICAGO | CLEVELAND | DALLAS | DETROIT | ORLANDO | PITTSBURGH | RENO | TULSA

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