REQUEST FOR PROPOSALS:

FUND MANAGEMENT SERVICES-HORACE COUSENS
INDUSTRIAL FUND

RFP #15-47

Submittal Due Date: December 4, 2014 at 11:00 a.m.

NOVEMBER 2014

Setti D. Warren, Mayor
# CITY OF NEWTON

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END OF SECTION
CITY OF NEWTON
PURCHASING DEPARTMENT
REQUEST FOR PROPOSALS #15-47

This City of Newton Request For Proposals (RFP) invites sealed proposals from Contractors for

FUND MANAGEMENT SERVICES-HORACE COUSENS

Proposals will be received until: 11:00 a.m., Thursday, December 4, 2014
at the Purchasing Department, Room 204, Newton City Hall, 1000 Commonwealth Avenue, Newton, MA 02459.

Contract Documents will be available online at the City’s website: www.newtonma.gov/bids after: 10:00 a.m., November 13, 2014. Proposers are responsible for downloading the specifications from the City’s web site at www.newtonma.gov/bids. Proposers are requested to email the Purchasing Department (purchasing@newtonma.gov) their Company Name, Address, Email address, Phone & Facsimile number and what bid # (i.e. 15-22) they have downloaded.

The term of the contract shall extend three (3) years from the date of contract execution. The City shall have the option, at its sole discretion, to renew the contract for two (2) additional three (3) year terms, with no change in the contract price or terms and conditions. The exercise of each option to renew shall be subject to appropriation of funding therefor.

As this is an RFP, proposers shall submit a technical, or non-price proposal which includes everything responsive to this RFP except the proposed contract price, and a price proposal. There is no specific form for the technical proposal, although it should be responsive to all information request made in the RFP. The price proposals shall be submitted on the Price Proposal #15-47 form included in this RFP.

All proposals shall be submitted as (i) for the technical proposal, one ORIGINAL and eight (8) COPIES and (ii) for the price proposal, ONE COPY. In addition, a digital DVD copy of the technical proposal is requested, but not required. Proposers’ attention is directed to the requirements of the City’s Supplemental Equal Employment Opportunity, Antidiscrimination and Affirmative Action Program and also to the Minority/Women Business Enterprise Plan, December 1999, all of which are hereby incorporated into the Contract Documents. In the event of conflict between any of the above listed policies, the stricter policy shall apply.

All City of Newton bids are available on the City’s web site, www.newtonma.gov/bids. It is the sole responsibility of the contractor downloading these bids to ensure they have received any and all addenda prior to the bid opening. Addenda will be available online within the original bid document as well as a separate file. If you download bids from the internet site and would like to make it known that your company has done so, you may fax the Purchasing Dept. (617) 796-1227 or email purchasing@newtonma.gov with your NAME, ADDRESS, PHONE, FAX AND INVITATION FOR BID NUMBER.

The City will reject any and all proposals in accordance with the above referenced General Laws. In addition, the City reserves the right to waive minor informalities in any or all bids, or to reject any or all proposals (in whole or in part) if it be in the public interest to do so.

CITY OF NEWTON
Nicholas Read
Chief Procurement Officer
November 13, 2014
I. DECISION TO USE COMPETITIVE SEALED PROPOSALS

In accordance with M.G.L. c. 30B, §6(a) the Chief Procurement Officer has determined that in order to select the most advantageous proposal for fund management services for the City of Newton Horace Cousens Industrial Fund (hereinafter the “Fund”), comparative judgments of technical factors, in addition to price, will be necessary.

The City believes that the fund manager must have a broad range of experience managing investment funds in addition to having knowledge of all laws pertaining to investment of public funds, as well as the required credentials for the Fund’s investment manager.

The City requests proposals from qualified firms desiring to serve as the investment manager (hereinafter the “Fund Investment Manager”) for the Horace Cousens Industrial Fund, which has a total value of approximately $2.3 million.

II. INSTRUCTIONS TO PROPOSERS

A. GOVERNING LAW and DEADLINE FOR SUBMISSION: All proposals must be submitted in accordance with Massachusetts General Laws Chapter 30B, Section 6, to the Chief Procurement Officer in the Purchasing Department, Newton City Hall, 1000 Commonwealth Avenue, Room 204, Newton, MA 02459, no later than 11:00 a.m., December 4, 2012.

One (1) original and seven (7) copies of the TECHNICAL and one (1) original PRICE PROPOSAL in the form provided in Attachment D must be submitted in SEPARATE SEALED ENVELOPES. Envelopes shall be marked, respectively, “TECHNICAL PROPOSAL - RFP #15-47 “Fund Management Services-Horace Cousens Industrial Fund” and “PRICE PROPOSAL - RFP #15-47 “Fund Management Services-Horace Cousens Industrial Fund” along with your firm’s name on both envelopes. If a Price Proposal is included in the Technical Proposal, the proposal may be rejected.

Proposals must have information submitted in the same order of the criteria as listed in this RFP and pages shall be numbered in the bottom footer.

Faxed proposals will not be accepted.

B. QUESTIONS: Inquiries involving procedural or technical matters must be received in writing, no later than Wednesday, November 26, 2014 at noon to:

purchasing@newtonma.gov or facsimile (617) 796-1227
Nicholas Read, Chief Procurement Officer

All additional information shall be put into the form of an addendum. Each addendum will be posted on the City’s website at www.newtonma.gov/bids under the document #15-47 and will be faxed to those listed on the Bidder’s list as having received (picked-up or downloaded) this Request For Proposal (RFP).

If you have downloaded the RFP, please be sure to email us (purchasing@newtonma.gov) your Name, Address, Phone and Fax numbers and what RFP number you have downloaded.

ADDENDUM: Proposer shall acknowledge any/all addendum(s) on the first line of their Transmittal Sheet of its Technical Proposal, as well as on the designated line provided in the Price Proposal. A Transmittal Letter/Sheet is a business letter and should be formatted accordingly; that is, you should include the recipient's address, your address, a salutation and closing.
C. EXAMINATION OF DOCUMENTS: Each proposer shall be satisfied, by personal examination of the location of the contemplated services and by any other means, as to the requirements of the contemplated services to enable the intelligent preparation of this proposal. The proposer shall be familiar with all RFP documents before submitting the proposals in order that no misunderstanding shall exist in regard to the nature and character of the contemplated services to be performed. No allowance will be made for any claim that the proposal is based on incomplete information as to the nature and character of the area or contemplated service.

D. TIMELINE:

<table>
<thead>
<tr>
<th>Event</th>
<th>Date and Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>RFP Released</td>
<td>Thursday, November 13, 2014 at 10:00 a.m.</td>
</tr>
<tr>
<td>Questions submitted</td>
<td>Wednesday, November 26, 2014 at noon</td>
</tr>
<tr>
<td>Addenda w/Answers</td>
<td>Monday, December 1, 2014 at noon</td>
</tr>
<tr>
<td>Proposal Submittal</td>
<td>Thursday, December 4, 2014 at 11:00 a.m.</td>
</tr>
</tbody>
</table>

E. PROPOSAL FORMAT: All proposals shall follow the order of this RFP. All proposals shall have a table of contents denoting, for each item, which page it can be located on. All proposals shall have footers with page numbers.

III. EVALUATION OF PROPOSALS

There will be no public opening of submitted proposals. Following the deadline for receipt, the Chief Procurement Officer will open the Technical Proposals and prepare a register of those firms submitting proposals, which register shall be available for public inspection. All proposal contents shall be confidential until the evaluation is final and award has been made.

The Technical Proposals shall be evaluated by a committee comprised of Trustees of the Horace Cousens Industrial Fund who shall prepare their evaluation based on the criteria contained herein.

Any proposer submitting a proposal must satisfy all the Minimum Criteria. Proposals that do not demonstrate compliance with the Minimum Criteria will not be further considered.

The City of Newton reserves the right to waive any informalities in any or all RFPs, or to reject any or all RFPs, if it be in the public interest to do so.

Upon completion of the technical evaluation, the Chief Procurement Officer will open and evaluate the Price Proposals. A contract will be awarded to the responsive and responsible proposer whose proposal is determined to be most advantageous taking into consideration cost and evaluative criteria. The City reserves the right to reject any and all proposals and to award a contract as determined to be in the best interests of the City.

All proposals shall remain firm for one hundred twenty (120) calendar days after the proposal opening.

IV. CONTRACT TERM

The term of this contract shall extend for three (3) years from the day of contract execution through December 31, 2017. The City of Newton, in its sole discretion shall have an option to renew the contract for two (2) additional three (3) year terms with no change in Contract price or terms and conditions.

V. COMPENSATION - The contractor shall be paid in a manner agreed to by the contractor and the City, but shall not be more frequent than a monthly payment.

VI. INDEMNIFICATION

The Contractor acknowledges and agrees that it is responsible as an INDEPENDENT CONTRACTOR for all services provided under this Agreement and for all the acts of its employees and agents hereunder and agrees that it will indemnify and hold harmless the City and its agents and employees from and against all claims, damages, losses and expenses, including attorney's fees arising out of, or resulting from, the performance of the services to be performed under this Agreement.

END OF SECTION
Minimum Criteria

Any proposer submitting a proposal for services as Fund Investment Manager must satisfy all the Minimum Criteria.

Proposals that do not demonstrate material compliance with the Minimum Criteria will not be given further consideration.

The Minimum Criteria are as follows:

1. The proposer shall have previous experience working with government, municipal or charitable trusts in Massachusetts in the capacity of an investment manager.

2. The proposer shall be a Registered Investment Advisor pursuant to the Investment Advisors Act of 1940 or must be exempt from registration.

3. The proposer shall have personnel who are Chartered Financial Analysts (CFAs) that will be available to serve in an advisory capacity to the Fund and provide other services as may be needed.

4. The proposer shall have a minimum of ten years’ relevant investment experience.

5. The proposer shall have a minimum of $250 million under its management as of the proposal submission date.

6. The proposer shall have professional liability/errors and omissions insurance in accordance with industry standards.

7. The proposer, its agents and employees shall be bonded for fidelity/dishonesty in accordance with industry standards.

8. The proposer will provide a completed Proposer’s Qualifications and References Form.

9. The proposer will provide a completed Certificate of Non-Collusion Form.

10. The proposer will provide a completed Debarment Letter.

11. The proposer will provide an IRS Form W-9.

END OF SECTION
CITY OF NEWTON

PROPOSER'S QUALIFICATIONS AND REFERENCES FORM

All questions must be answered, and the data given must be clear and comprehensive. Please type or print legibly. If necessary, add additional sheet for starred items. This information will be utilized by the City for purposes of determining bidder responsiveness and responsibility with regard to the requirements and specifications of the Contract.

1. FIRM NAME: _________________________________________________________
2. WHEN ORGANIZED: ____________________________
3. INCORPORATED? ______ YES  ______ NO  DATE AND STATE OF INCORPORATION: _______________
4. IS YOUR BUSINESS A MBE? _____YES  _____NO  WBE? _____YES _____NO or MWBE? _____YES _____NO
   * 5. LIST ALL CONTRACTS CURRENTLY ON HAND, SHOWING CONTRACT AMOUNT AND ANTICIPATED DATE OF COMPLETION:
      ________________________________________________________________________________
      ________________________________________________________________________________
      ________________________________________________________________________________
      ________________________________________________________________________________

* 6. HAVE YOU EVER FAILED TO COMPLETE A CONTRACT AWARDED TO YOU?  
    _____ YES  _____ NO
    IF YES, WHERE AND WHY?
    ________________________________________________________________________________

* 7. HAVE YOU EVER DEFAULTED ON A CONTRACT? _____ YES  _____ NO
    IF YES, PROVIDE DETAILS.
    ________________________________________________________________________________

* 8. LIST YOUR VEHICLES/EQUIPMENT AVAILABLE FOR THIS CONTRACT:
    ________________________________________________________________________________
    ________________________________________________________________________________
    ________________________________________________________________________________
    ________________________________________________________________________________

* 9. IN THE SPACES FOLLOWING, PROVIDE INFORMATION REGARDING CONTRACTS COMPLETED BY YOUR FIRM SIMILAR IN NATURE TO THE PROJECT BEING BID. A MINIMUM OF FOUR (4) CONTRACTS SHALL BE LISTED. PUBLICLY BID CONTRACTS ARE PREFERRED, BUT NOT MANDATORY.
    PROJECT NAME: ____________________________________________
    OWNER: ____________________________________________
    CITY/STATE: ____________________________________________

DOLLAR AMOUNT: $ ___________________________   DATE COMPLETED: ________________
PUBLICLY BID? _____ YES    _____ NO
TYPE OF WORK?: ______________________________________
CONTACT PERSON: ___________________________    TELEPHONE #: (____)__________
CONTACT PERSON'S RELATION TO PROJECT?:  _____________________________________________________________________

(i.e., contract manager, purchasing agent, etc.)

PROJECT NAME: ________________________________________________________________
OWNER:   ____________________________________________________________________
CITY/STATE:  __________________________________________________________________
DOLLAR AMOUNT: $ ___________________________   DATE COMPLETED: ________________
PUBLICLY BID? _____ YES    _____ NO
TYPE OF WORK?: ________________________________________________________________
CONTACT PERSON: ___________________________    TELEPHONE #: (____)__________
CONTACT PERSON'S RELATION TO PROJECT?:  _____________________________________________________________________

(i.e., contract manager, purchasing agent, etc.)

PROJECT NAME: ________________________________________________________________
OWNER:   ____________________________________________________________________
CITY/STATE:  __________________________________________________________________
DOLLAR AMOUNT: $ ___________________________   DATE COMPLETED: ________________
PUBLICLY BID? _____ YES    _____ NO
TYPE OF WORK?: ________________________________________________________________
CONTACT PERSON: ___________________________    TELEPHONE #: (____)__________
CONTACT PERSON'S RELATION TO PROJECT?:  _____________________________________________________________________

(i.e., contract manager, purchasing agent, etc.)

PROJECT NAME: ________________________________________________________________
OWNER:   ____________________________________________________________________
CITY/STATE:  __________________________________________________________________
DOLLAR AMOUNT: $ ___________________________   DATE COMPLETED: ________________
PUBLICLY BID? _____ YES    _____ NO
TYPE OF WORK?: ________________________________________________________________
CONTACT PERSON: ___________________________    TELEPHONE #: (____)__________
CONTACT PERSON'S RELATION TO PROJECT?:  _____________________________________________________________________

(i.e., contract manager, purchasing agent, etc.)

10. The undersigned certifies that the information contained herein is complete and accurate and hereby authorizes and requests any person, firm, or corporation to furnish any information requested by the City in verification of the recitals comprising this statement of Bidder's qualifications and experience.

DATE: ____________  BIDDER: ________________________________________
SIGNATURE:  ____________________________________________
PRINTED NAME: ________________________________________  TITLE: ______________________

END OF SECTION
CERTIFICATE OF NON-COLLUSION

The undersigned certifies under penalties of perjury that this bid or proposal has been made and submitted in good faith and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word “person” shall mean any natural person, business, partnership, corporation, union, committee club, or other organization, entity, or group or individuals.

(Signature of individual)

____________________________________
Name of Business
Re: Debarment Letter for Request For Proposal #15-47

As a potential vendor on the above contract, the City requires that you provide a debarment/suspension certification indicating that you are in compliance with the below Federal Executive Order. Certification can be done by completing and signing this form.

III. Debarment:
Federal Executive Order (E.O.) 12549 “Debarment and Suspension“ requires that all contractors receiving individual awards, using federal funds, and all sub-recipients certify that the organization and its principals are not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency from doing business with the Federal Government.

I hereby certify under pains and penalties of perjury that neither I nor any principal(s) of the Company identified below is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.

__________________________________________ (Name)
_______________________________________ (Company)
________________________________________ (Address)
_______________________________________ (Address)

PHONE ________________  FAX ________________
EMAIL _________________________________________

__________________________________________ Signature

____________________Date

If you have questions, please contact Nicholas Read, Chief Procurement Officer at (617) 796-1220.
Request for Taxpayer Identification Number and Certification

Part I - Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 5. For other entities, it is your employer identification number (EIN) if you do not have a number, see How to get a TIN on page 5.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Part II - Certification

Under penalty of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding,
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out Item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, Item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here

Signature of U.S. person

Date

Name

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

• An individual who is a U.S. citizen or U.S. resident alien,
• A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
• An estate (other than a foreign estate), or
• A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

• The U.S. owner of a disregarded entity and not the entity.
Comparative Evaluation Criteria

Proposals from proposers who meet or exceed the minimum criteria will be evaluated and rated on the basis of the following comparative criteria. The City reserves the right to ask any proposer to provide additional supporting documentation in order to verify its response.

Ratings of Highly Advantageous (HA); Advantageous (A); Not Advantageous (NA); or Unacceptable (U) will be given to each of the following criteria for each proposer. A composite rating will then be determined. A composite rating of Highly Advantageous or Advantageous may be assigned only if a proposal has received at least one such rating among the criteria listed below.

To the extent that an Evaluation Criterion requires the certification of fact, the proposer’s certification as to that fact shall be an adequate response provided, however, that on request the proposer shall provide to the City such evidence as the City may request to support that fact.

1. **The investment performance of the proposer as measured by the actual record of performance of the proposed product(s)/fund(s):**

<table>
<thead>
<tr>
<th>Rating</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Advantageous</td>
<td>A performance record which exceeds the return of the respective benchmark(s) (see Scope of Work D(3) at p. 15 below) over a multi-year period.</td>
</tr>
<tr>
<td>Advantageous</td>
<td>A performance record which equals the return of the respective benchmark(s) over a multi-year period,</td>
</tr>
<tr>
<td>Not Advantageous</td>
<td>A performance record which is less than the return of the respective benchmark(s) over a multi-year period.</td>
</tr>
<tr>
<td>Unresponsive</td>
<td>Performance information not provided.</td>
</tr>
</tbody>
</table>

2. **The level of experience of the proposer as measured by the length of time providing such services:**

<table>
<thead>
<tr>
<th>Rating</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Advantageous</td>
<td>A minimum of ten or more years’ experience acting in the capacity of an investment manager, at least five of which have been as an investment manager for a government, municipal or charitable trust fund.</td>
</tr>
<tr>
<td>Advantageous</td>
<td>A minimum of ten years’ experience acting in the capacity of an investment manager and two to four years’ experience as an investment manager for a government, municipal or charitable trust fund.</td>
</tr>
<tr>
<td>Not Advantageous</td>
<td>A minimum of ten or more years’ experience acting in the capacity of an investment manager, and zero to one year experience as an investment manager for a government, municipal or charitable trust fund.</td>
</tr>
<tr>
<td>Unresponsive</td>
<td>No experience acting in the capacity of an investment manager for a government, municipal or charitable trust fund.</td>
</tr>
</tbody>
</table>

3. **The experience of the proposer as measured by the three (3) reference checks listed in #6 of the questionnaire.**

<table>
<thead>
<tr>
<th>Rating</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>Highly Advantageous</td>
<td>Three of the proposer’s clients report that they are satisfied with the performance of the proposer.</td>
</tr>
<tr>
<td>Advantageous</td>
<td>Two of the proposer’s clients report that they are satisfied with the performance of the proposer.</td>
</tr>
<tr>
<td>Not Advantageous</td>
<td>One of the proposer’s clients report that they are satisfied with the performance of the proposer.</td>
</tr>
<tr>
<td>Unresponsive</td>
<td>None of the proposer’s clients report that they are unsatisfied with the performance of the proposer.</td>
</tr>
</tbody>
</table>

4. **The experience of the proposer as measured by the number of accounts in the $5-$10 million range under current management:**

<table>
<thead>
<tr>
<th>Rating</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Advantageous</td>
<td>The proposer currently manages more than ten government trust funds/municipal trust funds/charitable trust funds or similar accounts in the stated range.</td>
</tr>
<tr>
<td>Category</td>
<td>Description</td>
</tr>
<tr>
<td>-------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Advantageous</td>
<td>The proposer currently manages five to ten government trust funds/municipal trust funds/charitable trust funds or similar accounts in the stated range.</td>
</tr>
<tr>
<td>Not Advantageous</td>
<td>The proposer currently manages fewer than five government trust funds/municipal trust funds/charitable trust funds or similar accounts in the stated range.</td>
</tr>
<tr>
<td>Unresponsive</td>
<td>The proposer currently manages no government trust funds/municipal trust funds/charitable trust funds or similar accounts in the stated range.</td>
</tr>
</tbody>
</table>

END OF SECTION
Request for Proposal No. 15-47

Scope of Work

A. Background

The Horace Cousens Industrial Fund is a charitable trust which gives financial help to Newton residents who are faced with a temporary but severe financial problem. Grants are for one-time specific needs and not for on-going expenses. The Trustees of the Fund make the decision to approve or not to approve the request at their monthly meeting. At the present time there is approximately $2.3 million in this fund.

B. Scope of Services

1. The Fund Investment Manager will review with the Cousens Trustees the investment policy for the Fund (see Attachment C), and implement a strategy to accomplish the investment goals;

2. The Fund Investment Manager will make all investment selections and manage these investments in accordance with the Prudent Investor Rule and the provisions set forth for the investment and management of funds by trustees in Massachusetts General Laws, Chapter 203C, Sections 3, 4, 5, 8 and 9 and in accordance with Chapter 75 of the Acts of 2006, An Act Relative to the Investment of Funds for the City of Newton. Copies of said statutes are attached collectively as Attachment B.

3. The Fund Investment Manager will be required to submit monthly, quarterly and annual reports (hardcopy) on the Fund’s investment activity to the City’s Treasurer-Collector and the Cousens Trustees. Such reports will include book and market values, purchase and sale of investments, all dividends, interest earned, etc., all charges against the portfolio for administration, and the dollar and percentage gains/losses of each investment and the aggregate of all the investment within the portfolio. Contractor shall get written authorization on format prior to award;

4. The Fund Investment Manager will be required to have the Custodian Bank approved by the City;

5. The Fund Investment Manager’s performance will be measured against the performance of Standard and Poor’s 500 Index for equities, against the Lehman Brothers Aggregate Bond Index for bonds and against any other relevant indices as described in Investment Policy Statement (see Attachment C);

6. The Fund Investment Manager’s performance will be monitored on a quarterly basis. The City, in consultation with the Cousens Trustees, reserves the right to dismiss the Fund Investment Manager at any time, if it is the belief of the City that the Fund Investment Manager’s performance or other practices warrants change;

7. The Fund Investment Manager may periodically be required to attend meetings to brief the City and the Cousens Trustees on the Fund’s investment performance and current market trends.

C. General Information Submittal For Selection of Fund Manager

Please submit a package of materials addressing the following items in the order listed below (please ensure that your table of contents matches this order):

i. Organization
   a. How is your firm organized? When was your firm founded? Briefly describe the history and ownership of your firm. Are any major changes planned?
   b. Please provide a copy of your firm’s most recent ADV Part II.
   c. Name your preferred custodian bank.
   d. Describe any litigation or legal proceedings in which your firm or its principals have been involved over the past five years.
   e. Is your firm registered as an investment advisor with the Securities Exchange Commission (SEC)?
2. **Investment Professionals**
   a. Please provide the following information for any professionals that would work with the Fund:
   b. Name
   c. Responsibilities
   d. Years of experience with the firm or other investment companies
   e. Education background
   f. Who would be primarily responsible for managing this portfolio? How many portfolios, and the total
      market value of these funds, are currently managed by this person? Would this person be the City’s and the
      Cousens Trustees’ primary contact person at the firm? If not, who would be the City’s and the Cousens
      Trustees’ primary contact?
   g. Please provide a statement that any changes to Key Personnel for this RFP shall be pre-approved by the
      City.

3. **Performance**

   Please provide your firm’s investment performance results and composite investment results for 1, 3, 5 and 10
   year periods, as of September 30, 2014, net of fees and in comparison to the relevant benchmark, for any and all
   of the investment products your firm manages within the following asset classes: domestic large cap equities,
   domestic small-cap equities, international equities and fixed income – investment grade bonds. For these
   investments, please use the corresponding benchmark listed below for comparison.

   Domestic Large Cap Equities..........S&P 500
   Domestic Small Cap Equities .......... Russell 2000
   International Equities................. MSCI EAFE
   Domestic Fixed Income...............Barclays Capital Aggregate Bond Index

4. **Investment Philosophy**

   a. Please give a brief description of your firm’s philosophy. Has your philosophy changed over the past five
      years? If yes, explain how it has changed?
   b. Define your firm’s investment process.
   c. Describe how your firm would work with the City and the Cousens Trustees to determine specific asset
      allocation strategies and investment vehicle choices for the Fund.

5. **Client Service**

   a. Who would be the primary client contact? Explain the structure of the client support staff.
   b. Please include a sample portfolio report and indicate the frequency at which such a report is issued. Could
      such a report be customized to meet the particular needs of the Horace Cousens Industrial Fund?

6. **Clients**

   Please provide the number of client accounts currently under management. How many of these accounts are in
   the $5-10 million dollar range? Of these how many are municipal/government/charitable trust funds? How
   many accounts currently under management are in the $2-4.9 million dollar range? Of these how many are
   municipal/government/charitable trust funds?

   If chosen as a finalist, five (5) references, including names and phone numbers, will be required.

7. **Are there any potential conflicts of interest that may be created by awarding the investment management
   contract to your firm? If so, please explain.**

8. **Please indicate the face amount of insurance that the firm carries with respect to:**
   a) Errors and omissions
   b) Fiduciary and liability
9. Fees
   a. Please submit your fee quote for the account in the “Price Proposal” provided in ATTACHMENT - D in a separate sealed envelope.
   b. How are your fees paid?
   c. Please provide a copy of your firm’s most recent audited financial statement.

10. Interviews
    a. The Fund may interview proposers meeting the Minimum Criteria. In the event the Fund decides to hold interviews, all eligible proposers will be interviewed.

D. Terms and Conditions

1. The City reserves the right to request clarification and to request additional information of one or more proposers. The City may conduct interviews with those proposers meeting the City’s minimum requirements. The City will notify those proposers of the date and time if the City wishes to interview them. The interviews will focus on the information requested in this RFP and the responses thereto.

2. Each proposal must be signed by an authorized official of the proposer.

3. The proposer selected to manage the Fund shall enter into a written agreement signed by both the City and the proposer, the Form of which is attached hereto as Attachment A.

2. The proposer shall carry professional liability/errors and omissions insurance in an amount adequate to replace the funds invested by the City and the proposer, its agents and employees, shall be bonded for fidelity/dishonesty in an amount which exceeds the amount invested by the City.

Attachments:

A. City – Horace Cousens Industrial Fund Investment Manager Agreement
B. Copies of Relevant Statutes
C. Investment Policy Statement
D. Price Proposal
E. Certification of Tax Compliance

END OF SECTION
ATTACHMENT - A

CONTRACT FORMS

The awarded bidder will be required to complete and submit documents substantially similar in form to the following.

These forms may need to be modified on account of changed circumstances, and are provided for informational purposes only.
FUND MANAGEMENT SERVICES-HORACE COUSENS INDUSTRIAL FUND

This Agreement is entered into by and between the Fund Investment Manager, (hereinafter the “Fund Investment Manager”) and the City of Newton, a municipal corporation acting by and through its Chief Procurement Officer but without personal liability to her (hereinafter the "City"); collectively, the "parties".

WHEREAS, the City holds certain funds in the Horace Cousens Industrial Fund ("the Fund"); and,

WHEREAS, the City Treasurer has custody of said funds and is authorized by Massachusetts law to select professional investment advisors to manage the funds in the Fund; and,

WHEREAS, The City desires the services of a professional financial organization to manage the Fund and carry out related record-keeping; and,

WHEREAS, the Fund Investment Manager has represented that it is capable to manage the Fund;

NOW THEREFORE, the parties agree as follows:

1. Incorporation of Attached Documents

The following documents, copies of which are attached hereto, are hereby incorporated as part of this Agreement:

--Exhibit 1 - City of Newton's Request for Proposal No. #15-47, dated _______ 2014 issued by Nicholas Read, Chief Procurement Officer (hereinafter "Request for Proposals");

--Exhibit 2 - Technical and Price Proposal of ________, each dated __________, 2012 and signed by ______________, (hereinafter, “Fund Investment Manager’s Proposal”); and

--Exhibit 3 - Investment Policy Statement for Horace Cousens Industrial Fund (“Investment Policy”);

Order of Priority: The provisions of this Agreement control in the event of contrary language in any of the Attachments listed above. In the event of a conflict between the provisions of the RFP and the provisions of the Fund Investment Manager’s Proposal, the provisions of the RFP shall control.

2. Special Terms & Conditions

Notwithstanding the provisions of the incorporated Exhibits to the contrary, the parties agree to be bound by the following special terms and conditions:

a. The limited power of attorney given by the City to the Fund Investment Manager if any, shall be subject to current investment policy applicable to the Funds as articulated to the Fund Investment Manager and shall be subject to the requirement that all investments of the Fund will be in accordance with the Prudent Man Rule and the provisions set forth for the investment and management of funds by trustees in Massachusetts General Laws Chapter 203C, Sections 3, 4, 5, 8 and 9, and Chapter 75 of the Acts of 2006, An Act Relative to the Investment
of Trust Funds For the City of Newton. In accordance with the foregoing, the Fund Investment Manager will make such investment and reinvestment of the Fund as in its discretion, exercising its professional expertise and experience, it deems appropriate to carry out the purposes of the Fund.

b. The Fund Investment Manager shall not change the custodian bank of the Fund without the advance written approval of the Treasurer.

c. Notwithstanding the provisions of any other agreement to the contrary, the Fund Investment Manager shall assume liability for actions taken or omitted in bad faith and for actions taken or omitted in good faith if negligence, gross negligence, willful or reckless misconduct or violation of applicable law, including federal securities laws, is involved.

d. The Fund Investment Manager shall submit monthly, quarterly and annual reports on the Fund’s investment activity to the City and the Cousens Trustees. Such reports will include both book and market values, purchase and sale of investments, all dividends, interest earned, etc., all charges against the portfolio for administration, and the dollar and percentage gains/losses of each investment and the aggregate of all the investment within the portfolio. The annual report shall correspond to the end of the City’s fiscal year (June 30) of each year. Each report must reflect receipts and disbursements of every kind; new investments; and current values of all investments.

e. Promptly after the execution of this Agreement, the Treasurer shall deliver all tangible evidence of the Fund’s existing investments to the Fund Investment Manager and the Fund Investment Manager shall sign acknowledging receipt thereof. Such receipt shall be considered a part of this Agreement.

f. The Fund Investment Manager hereby covenants that it hold all necessary governmental approvals, licenses and registrations to properly carry out the services under this Agreement.

g. The term of this Agreement shall be three (3) years from the date it is signed by the Mayor, unless it is earlier terminated by the parties. In addition, the City, in its sole discretion and without the consent of the Fund Investment Manager, shall have an option to renew the contract for two (2) additional terms of three (3) years each.

h. The Treasurer, in consultation with the Trustees of the Cousens Fund, retains the right to accept or reject any Sub-Investment Fund Manager as recommended by the Investment Fund Manager (see paragraph 3, below.)

i. The Fund Investment Manager shall be paid as follows:

3. Subcontract

(a) Fund Investment Manager Responsibility and Subcontracting. Unless clearly stated in the Fund Investment Manager’s Proposal and incorporated into this Agreement, none of the services to be provided by the Fund Investment Manager pursuant to this agreement shall be subcontracted or delegated to any other organization, association, individual, corporation, partnership or other such entity without prior written consent of the City. No subcontract or delegation shall relieve or discharge the Fund Investment Manager from any obligation or liability under this Agreement. The Fund Investment Manager shall be as fully responsible to the City for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by them, as it is for the acts and omissions of persons directly or indirectly employed by the Fund Investment Manager.

[If a Sub-Fund Investment Manager is used, include the following paragraph].

The City acknowledges that the Fund Investment Manager has elected to subcontract for additional financial services with _________ (the “Sub-Investment Fund Manager”). The Fund Investment Manager shall require the Sub-Fund Investment Manager to be bound to the Fund Investment Manager by the terms of this Agreement and to assume toward the Fund Investment Manager all obligations and responsibilities which the Fund Investment Manager, by this Agreement, assumes toward the City. The Fund Investment Manager shall make available to the Sub-Fund Investment Manager, prior to the execution of the subcontract agreement, copies of this Agreement to which the Sub-Fund
Investment Manager shall be bound. The subcontract shall preserve and protect the rights of the City under this agreement with respect to the work to be performed by the Sub-Fund Investment Manager.

By signing this Agreement, the Fund Investment Manager certifies that it has made all necessary arrangements with ____________________ to create a binding enforceable agreement to require the services of ____________________ to serve as Sub-Fund Investment Manager for this Agreement. The Fund Investment Manager, upon request, shall provide a copy of the terms of its arrangement with the Sub-Fund Investment Manager.

4. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

5. Arbitration

In the event that at any time during the term of this Agreement disputes arise between the Fund Investment Manager and the City, either party may request resolution of such dispute through any alternative dispute resolution procedure that the parties can agree upon, including arbitration. However, the City does not waive any legal remedies it may have or waive any defense to service of process.

6. Termination

Notwithstanding the provisions of any other agreement to the contrary, either party may terminate this Agreement by written notice which shall be sent no less than thirty (30) days prior to the effective date of such termination.

FUND INVESTMENT MANAGER

By __________________________
Print Name ______________________
Title ____________________________
Date ____________________________

Affix Corporate Seal Here

CITY OF NEWTON

By ____________________________
Chief Procurement Officer
Date ____________________________

By ____________________________
Treasurer-Collector
Date ____________________________

City funds in the amount of $______________ are available in account number ____________________________

I further certify that the Mayor, or his designee, is authorized to execute contracts and approve change orders

By ____________________________
Comptroller of Accounts
Date ____________________________

Approved as to Legal Form and Character

By ____________________________
Associate City Solicitor
Date ____________________________

CONTRACT AND BONDS APPROVED

By ____________________________
Mayor or his designee
Date ____________________________
CERTIFICATE OF AUTHORITY - CORPORATE

1. I hereby certify that I am the Clerk/Secretary of ______________________________________
   (insert full name of Corporation)

2. corporation, and that ______________________________________________________________
   (insert the name of officer who signed the contract and bonds.)

3. is the duly elected ______________________________________________________________
   (insert the title of the officer in line 2)

4. of said corporation, and that on __________________________________________________
   (insert a date that is ON OR BEFORE the date the officer signed the contract and bonds.)

   at a duly authorized meeting of the Board of Directors of said corporation, at which all the directors were
   present or waived notice, it was voted that

5. _______________________________________ the ___________________________________
   (insert name from line 2) (insert title from line 3)

   of this corporation be and hereby is authorized to execute contracts and bonds in the name and on behalf of said
   corporation, and affix its Corporate Seal thereto, and such execution of any contract of obligation in this corporation’s
   name and on its behalf, with or without the Corporate Seal, shall be valid and binding upon this corporation; and that
   the above vote has not been amended or rescinded and remains in full force and effect as of the date set forth below.

6. ATTEST: ________________________________________
   (Signature of Clerk or Secretary)*
   AFFIX CORPORATE
   SEAL HERE

7. Name: ______________________________________
   (Please print or type name in line 6)*

8. Date: ______________________________________
   (insert a date that is ON OR AFTER the date the officer signed the contract and bonds.)

* The name and signature inserted in lines 6 & 7 must be that of the Clerk or Secretary of the corporation.
ATTACHMENT B

MASSACHUSETTS STATUTES
PART II. REAL AND PERSONAL PROPERTY AND DOMESTIC RELATIONS

TITLE II. DESCENT AND DISTRIBUTION, WILLS, ESTATES OF DECEASED PERSONS AND ABSENTEES, GUARDIANSHIP, CONSERVATORSHIP AND TRUSTS

CHAPTER 203C. PRUDENT INVESTMENT

IV. Chapter 203C: Section 3. Investment and management decisions

Section 3. (a) A trustee shall invest and manage trust assets as a prudent investor would, considering the purposes, terms, and other circumstances of the trust, including those set forth in subsection (c). In satisfying this standard, the trustee shall exercise reasonable care, skill, and caution.

(b) A trustee’s investment and management decisions respecting individual assets shall be considered in the context of the trust portfolio as a part of an overall investment strategy reasonably suited to the trust.

(c) Among circumstances that a trustee shall consider in investing and managing trust assets are such of the following as are relevant to the trust or its beneficiaries:

(1) general economic conditions;
(2) the possible effect of inflation or deflation;
(3) the expected tax consequences of investment decisions or strategies;
(4) the role that each investment or course of action plays within the overall trust portfolio;
(5) the expected total return from income and the appreciation of capital;
(6) other resources of the beneficiaries;
(7) needs for liquidity, regularity of income, and preservation or appreciation of capital; and
(8) an asset’s special relationship or special value, if any, to the purposes of the trust or to one of the beneficiaries.

(d) A trustee shall make a reasonable effort to verify facts relevant to the investment and management of trust assets.

(e) A trustee may invest in any kind of property or type of investment consistent with the standards of this chapter.

(f) A trustee who has special skills or expertise, or is named trustee in reliance upon the trustee’s representation that the trustee has such special skills or expertise, shall have a duty to use such special skills or expertise.
The General Laws of Massachusetts

PART II. REAL AND PERSONAL PROPERTY AND DOMESTIC RELATIONS

TITLE II. DESCENT AND DISTRIBUTION, WILLS, ESTATES OF DECEASED PERSONS AND ABSENTEES, GUARDIANSHIP, CONSERVATORSHIP AND TRUSTS

CHAPTER 203C. PRUDENT INVESTMENT

Chapter 203C: Section 4. Diversification

Section 4. A trustee shall reasonably diversify the investments of the trust unless, under the circumstances, it is prudent not to do so.
The General Laws of Massachusetts

PART II. REAL AND PERSONAL PROPERTY AND DOMESTIC RELATIONS

TITLE II. DESCENT AND DISTRIBUTION, WILLS, ESTATES OF DECEASED PERSONS AND ABSENTEES, GUARDIANSHIP, CONSERVATORSHIP AND TRUSTS

CHAPTER 203C. PRUDENT INVESTMENT

Chapter 203C: Section 5. Review of assets

Section 5. Within a reasonable time after accepting a trusteeship or receiving trust assets, a trustee shall review the trust assets and make and implement decisions concerning the retention and disposition of assets, in order to bring the trust portfolio into compliance with the purposes, terms, and the other circumstances of the trust, and with the requirements of this chapter.
Chapter 203C: Section 8. Costs incurred

Section 8. In investing and managing trust assets, a trustee shall incur only costs that are appropriate and reasonable in relation to the assets, the purpose of the trust, and the skills of the trustee.
The General Laws of Massachusetts

PART II. REAL AND PERSONAL PROPERTY AND DOMESTIC RELATIONS

TITLE II. DESCENT AND DISTRIBUTION, WILLS, ESTATES OF DECEASED PERSONS AND ABSENTEES, GUARDIANSHIP, CONSERVATORSHIP AND TRUSTS

CHAPTER 203C. PRUDENT INVESTMENT

Chapter 203C: Section 9. Determination of compliance with prudent investor rule

Section 9. Compliance with the prudent investor rule shall be determined in light of the facts and circumstances existing at the time of a trustee’s decision or action.
Chapter 75 of the Acts of 2007

AN ACT RELATIVE TO THE INVESTMENT OF TRUST FUNDS FOR THE CITY OF NEWTON.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same as follows:

SECTION 1. Notwithstanding any general or special law to the contrary, the treasurer of the city of Newton may invest the funds of the city in the custody of the treasurer in accordance with the investor rule, and sections 3, 4, 5, 8 and 9 of chapter 203C of the General Laws. The treasurer, in consultation with each trust fund board of trustees, shall develop investment policies which shall include an asset allocation policy for each trust fund and shall select professional investment advisors to manage the funds.

SECTION 2. Section 54 of chapter 44 of the General Laws shall not apply to the city of Newton.

SECTION 3. This act shall take effect upon its passage.


END OF SECTION
ATTACHMENT C

INVESTMENT POLICY STATEMENT
THE HORACE COUSENS INDUSTRIAL FUND

Purpose

The purpose of this Statement is to establish a clear understanding between the Trustees of the Horace Cousens Industrial Fund, acting through the Treasurer-Collector of the City of Newton, and the Fund Investment Manager about the investment policies and objectives for the approximately $2,100,000 portfolio of the Cousens Fund. The intended goal is to describe an overall philosophy that is specific enough for the Fund Investment Manager to know what is expected but flexible enough to allow for changing economic conditions and securities markets.

The investment policy will not only provide realistic risk policies to guide the Fund Investment Manager toward long-term rate of return objectives but also serve as a standard for evaluating investment performance. In addition this policy will establish the investment restrictions to be placed upon the Fund Investment Manager and outline procedures for policy and performance review.

Objectives

The Horace Cousens Industrial Fund helps needy individuals who are residents of the City of Newton. It depends upon its investment returns to fund its charitable goals. Consequently, the investments should be made for the sole interest and exclusive purpose of providing returns for the Cousens Fund. The assets must be invested with the care, skill and diligence that a prudent person acting in this capacity would undertake.

The Fund Investment Manager's primary objectives are to:

1. Implement these policies to achieve the Fund's investment objectives.
2. Notify the City Treasurer and the Fund’s Trustees should circumstances occur in which the Fund Investment Manager believes the policy needs to be modified to achieve the objectives.
3. Outperform the target asset benchmarks which are defined below.

The performance objectives of the Fund should be pursued as a long-term goal designed to maximize the returns without exposure to undue risk. Since the Fund understands that fluctuating rates of return are characteristic of the securities markets, the Fund Investment Manager's greatest concern should be the long-term appreciation of the assets and consistency of total portfolio returns. The Cousens Fund expects to achieve at least a five (5%) percent return over a three to five-year period after inflation and net of fees.

Policies and Restrictions

The investment policies and restrictions presented in this statement are a framework to help the Fund Investment Manager achieve the investment objectives at an acceptable level of risk. These policies are designed to minimize interfering with the Fund Investment Manager's efforts to attain overall objectives and to minimize excluding the Fund Investment Manager from appropriate investment opportunities. Within the asset allocations established for the Fund, the Fund gives the Fund Investment Manager broad responsibility to shift the commitment of assets among asset classes, industry sectors and individual securities to pursue opportunities presented by long-term changes within the capital markets. It is further understood that the investments of these Fund assets are also governed by the investor rule and Massachusetts General Laws Chapter 203C, Sections 3, 4, 5, 8 and 9 and Chapter 75 of the Acts of 2006 which pertain to the investment of trust funds for the City of Newton.

Asset Allocation

The Fund expects the asset allocation policies to be consistent with the investment objectives and risk tolerances expressed in this statement. These policies, developed after examining the historical relationships of risk and return among asset classes, are designed to provide the highest probability of meeting or exceeding the return objectives at the lowest possible risk.
The Fund Investment Manager's investment returns will be measured against those of a target portfolio consisting of sixty (60%) percent equities, and forty (40%) percent fixed income securities, or such other ratio as the Fund may establish from time to time. Equity market performance will be represented by the returns of the S&P 500 Index. Fixed Income market performance will be measured by the Barclays Capital Aggregate Bond Index.

Because security market conditions can vary greatly throughout a market cycle, the Fund grants the Fund Investment Manager full discretion to change the asset mix described earlier for the purpose of increasing investment returns and/or reducing risks. If the Fund Investment Manager believes that certain opportunities justify allocations beyond the limits prescribed above, the Fund Investment Manager may exceed them only with the written consent of the Fund.

The Fund Manager will be expected to achieve the following objectives over a three to five-year moving time period:

1. The investments of the Fund will produce a total return, net of fees and transaction costs that exceed the medians of other managers in the same asset classes with similar investment styles.

2. The investments of the Fund will outperform relevant benchmarks or market indices for a given asset class.

**Equities**

The purpose of equity investments for the Fund is to provide appreciation of principal that more than offsets inflation. In keeping with the general philosophy of a well-diversified equity portfolio in terms of stock selection, asset class, and international market exposure, the Fund expects the Fund Investment Manager to maintain the equity portfolio at a risk level roughly equivalent to that of the US and international equity markets as a whole, with the objective of exceeding market returns as represented by the appropriate equity indices over a three to five-year moving time period. The Fund manager may invest in mutual funds. The Fund Investment Manager is prohibited from investing in private placements, letter stock, and uncovered options; and from engaging in short sales, margin transactions or other specialized investment activities. With prior written consent, the Fund Investment Manager may write covered options against common stocks held in the account to increase investment returns and/or reduce risk. It is expected that no assets will be invested in securities whose issuers have filed a petition for bankruptcy.

The investment objective for the equity portion of the Fund is to outperform (net of fees) the S&P 500 Index over a three to five year period. The Fund may alter this benchmark to reflect the diversification of assets within the equity area.

**Fixed Income**

The purpose of fixed income investments for the Fund is to provide a hedge against deflation, to increase current returns relative to an all-equity fund and to reduce the overall volatility of the Fund. Investments in fixed income securities will be managed actively to pursue opportunities presented by changes in interest rates, credit ratings, and maturity premiums. The Fund Manager may select from appropriate investment grade bonds and debt securities. The prospect of credit risk or risk of permanent loss should be avoided.

The investment objective for the fixed income portion of the Fund is to outperform (net of fees) Barclays Capital Aggregate Bond Index over a three to five year period. These investments shall be subject to the following:

1. No issues may be purchased with more than 30 years to maturity.

2. Investments in securities of a single issuer (with the exception of the U.S. Government and its agencies) must not exceed 10% of the market value.

3. Only corporate or tax exempt debt issues that meet or exceed a credit rating of BBB from Standard & Poor’s and/or a BAA rating from Moody’s, may be purchased.
4. Preferred stocks must be rated A or better by Moody's and/or Standard & Poor's at the time of purchase.

5. The Fund Manager is prohibited from investing in private placements and speculating in fixed income or interest rate futures.

**Cash and Equivalents**

The Cousens Fund needs a regular stream of income over the year. It will discuss with the Fund Investment Manager the most appropriate way to meet that need. In general, the Fund will be fully invested so as to maximize long-term returns. Equity managers may at their discretion hold investment reserves of cash equivalents but with the understanding that their performance will be measured against stock indices.

**Other Assets**

The Fund Investment Manager will not purchase assets other than those mentioned above without the written consent of the Fund. Investments in commodities, private equity funds, hedge funds, convertible securities, real estate, oil and gas investments, and bonds (both investment grade and non-investment grade, including high yield debt, distressed or other securities) may be appropriate from time to time and purchased with the written consent of the Fund. Short selling of equity securities, futures contracts on market indices or commodities, options contracts on market indices or individual securities and currency exchange are prohibited. Securities of foreign companies traded on foreign stock exchanges but held within SEC registered mutual funds may be purchased as appropriate within the overall investment strategy of the Investment Manager. Investments not specifically addressed by this statement are forbidden without written consent.

**Voting of Proxies**

The Fund designates the Fund Investment Manager to vote any and all proxies in connection with securities held within the fund. The Fund Investment Manager shall furnish the Fund with any written proxy voting policy statement, and shall keep records with respect to its voting decisions and submit a report on request Fund summarizing votes cast.

**Communications**

The Fund Investment Manager is required to provide immediate notification to the Fund regarding all significant matters pertaining to investment policies and management of the Fund’s assets, including, but not limited to: 1) major changes in the Fund Investment Manager’s investment outlook, investment strategy and portfolio structure; 2) any significant changes in the ownership, organizational structure, financial condition or senior personnel staffing of the Fund Investment Manager’s organization; and 3) quarterly transactions, evaluation and performance reports.

The Fund Investment Manager is required to give the Fund quarterly, and if requested, monthly evaluations of assets under management by the Fund Investment Manager, in such form as may be requested by the Fund and such evaluations shall include market valuations, industry segmentations, transaction registers, cash statements and similar reports. Reports of fixed-income securities and equities shall show inventories at cost, purchase date, market value and share or unit values at cost and market values.

Meetings will be held on at least an annual basis between the Cousens Fund and the Fund Investment Manager to discuss:

1. The Fund Investment Manager's investment performance and risk levels in light of the stated policies and objectives.

2. The Fund Investment Manager's views on important developments within the economy and the securities markets, and their potential effect on investment strategy, asset allocation, and account performance.

3. The effects of changes within the Fund Investment Manager's organization on investment philosophy, strategy, and performance.
4. Proposed amendments to the policies and objectives presented in this Statement, including changes in asset allocation.

The Fund may call more frequent meetings if significant concerns arise about the Fund Investment Manager's performance, strategy, personnel, and organizational structure.

By acknowledging in writing the receipt of this statement, the Fund Investment Manager agrees to its terms and conditions. Should the Fund Investment Manager believe at any time that changes, additions, or deletions to this statement are advisable; the Fund Investment Manager will be responsible for communicating these in writing for review by the Fund.

This statement shall be reviewed on an annual basis. Any modifications to this policy shall be reviewed with the Fund Investment Manager prior to implementation.

The signatures below affirm that this statement has been read, understood and accepted.

________________________________________  ______________________________________
Name                                           Name

________________________________________  ______________________________________
Date                                           Date

END OF SECTION
# SCHEDULE 1

## OVERALL ASSET CLASSES, TARGETS AND RANGES

<table>
<thead>
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<th>Asset Class</th>
<th>Target %</th>
<th>Minimum %</th>
<th>Maximum %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Long Equity Investments</strong></td>
<td>60%</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Dom. Large Capitalization</td>
<td>TBD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dom. Mid Capitalization</td>
<td>TBD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dom. Small Capitalization</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Developed</td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Fixed Income</strong></td>
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<td>Investments</td>
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</tr>
<tr>
<td>Investment Grade</td>
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<tr>
<td>High Yield</td>
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<td></td>
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</tr>
</tbody>
</table>
City of Newton

TREASURY DEPARTMENT

FUND MANAGEMENT SERVICES- HORACE COUSENS INDUSTRIAL FUND

This form must be completed and placed in a separately sealed envelope marked:

“RFP #15-47 Price Proposal - Fund Management Services-Horace Cousens Industrial Fund”

The proposer acknowledges the following addenda: ___  ___,_____, ______

The proposed annual contract fee is (Fee must be written in both word and figures):

Total Annual Management Fee: ______________________________________________________ dollars

$__________ for Horace Cousens Industrial Fund ($2.3 million) to be deducted from the cash balance of the Fund.

COMPENSATION - the contractor shall be paid in a manner agreed to by the contractor and the City, but shall not be more frequent than a monthly payment.

The undersigned certifies under penalties of perjury that this bid or proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in this subsection the word person shall mean any natural person, business, partnership, corporation, union, committee, club or other organization, entity or group of individuals.

The undersigned hereby certifies that s/he will comply fully with the laws & regulations applicable to awards made subject to M.G.L. Chapter 30B.

Name of Firm or individual submitting bid: ____________________________ (Please Print)

Address: ____________________________

Telephone / FAX#: ____________________________ /

E-mail address: ____________________________

Signature of Proposer: ____________________________ Title: ____________________________

Name (please print): ____________________________

Date: ____________________________

END OF SECTION
ATTACHMENT - E

Proposers must attach a signed copy of the “Certification of Tax Compliance” to the end of the “Technical” proposal.

CERTIFICATION OF TAX COMPLIANCE

Pursuant to M.G.L. c.62C, §49A and requirements of the City, the undersigned acting on behalf of the Contractor certifies under the penalties of perjury that the Contractor is in compliance with all laws of the Commonwealth relating to taxes including payment of all local taxes, fees, assessments, betterments and any other local or municipal charges (unless the Contractor has a pending abatement application or has entered into a payment agreement with the entity to which such charges were owed), reporting of employees and contractors, and withholding and remitting child support.*

**Signature of Individual
or Corporate Contractor (Mandatory)*** Contractor's Social Security Number
(Voluntary) or Federal Identification Number

Print Name: ________________________________

By: ________________________________

Corporate Officer
(Mandatory, if applicable)

Date: ________________________________

Print Name: ________________________________

* The provision in this Certification relating to child support applies only when the Contractor is an individual.

** Approval of a contract or other agreement will not be granted until the City receives a signed copy of this Certification.

*** Your social security number may be furnished to the Massachusetts Department of Revenue to determine whether you have met tax filing or tax payment obligations. Providers who fail to correct their non-filing or delinquency will not have a contract or other agreement issued, renewed, or extended.