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## General Investment Consultant 2019 and Investment Advisory Services December 2019 Addendum #1

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**TO:** Prospective Respondents and Other Interested Parties

**FROM:** The Village of Buffalo Grove Finance Department

**ISSUE DATE:** December 30, 2019

**SUBJECT:** ADDENDUM #1

Note: This Addendum is hereby declared a part of the original RFP documents and in case of conflict, the provisions in the following Addendum shall govern.

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The following changes and clarifications shall be made to the RFP Documents for General Investment Consultant 2019 and Investment Advisory Services December 2019.

Q1. Are they sincerely willing to change Investment Professionals when these assets will be consolidated and transferred to the new "Police & Firefighters' Pension Superfunds", within the next 12 to 30 months.

A1: Yes

Q2. Why are the plans conducting the searches at this time?

A2: The Village of Buffalo Grove regularly tests the market for goods and services to ensure stewardship of the public dollar.

Q3. Which firms handle each service for each plan? How long have they been retained?

Q4. Will the incumbent firms be invited to rebid?

A4. Yes

Q5. For each Fund, how many manager searches have been conducted each year, over the last 3 years?

A5. 0 over the past year and 0 over the past three years

Q6. How are the services different as described in the two RFPs? If the consultant RFP is for discretionary services, and the advisor RFP is for the manager, how would the selected consultant have discretionary responsibility over the assets if the manager is selected through this RFP process?

A6. Each Pension fund has the option to choose a consultant or advisor, both funds may select advisor services or consultant services from the same provider, or the same service type from different providers. The funds want to have both options at their disposal.

Q7. It appears each Fund currently works with an Investment Manager, does either Fund work with an Investment Consultant? If possible, can you please provide the current fee being paid for investment advisory services?

A7. The Police Pension fund works with a consultant, the Fire Pension fund works with an advisor.

Q8. Question E1 of the Advisory Services RFP references performance information as of December 31, 2018. Since responses are due after December 31, 2019, is the RFP accurate asking for 2018 information instead of most recent 2019 returns?

A8. Please provide the 2018 returns as of December 31. A firm may choose to provide the December 31, 2019 information as well.

Q9. Could further breakdown the total \$135 million in assets between Police vs. Fire and also the current asset allocation (ie, equities vs fixed in

A9. The break out can change and has since the original publish date, the asset balance breakdown is roughly 47% Fire and 53% Police. Please see the investment policy for both pension funds to identify asset allocations.

PROSPECTIVE RESPONDENTS ARE TO ACKNOWLEDGE RECEIPT OF ADDENDUM #1. PLEASE INCLUDE AND NOTE THIS ADDENDUM IN YOUR RESPONSE.

RESPONDENT: \_\_\_\_\_

SIGNED: \_\_\_\_\_ DATE: \_\_\_\_\_

TITLE : \_\_\_\_\_