



# Innovest Response

to

**City of Ann Arbor Employees' Retirement System  
& Retiree Health Care Benefit Plan & Trust**

**Request for Proposal  
Investment Consultant Services**

July 31, 2025

Innovest Portfolio Solutions, LLC  
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## Section 1

Innovest's Transmittal Letter to the City of Ann Arbor Employees' Retirement System

July 31, 2025

Wendy Orcutt  
Executive Director  
City of Ann Arbor Employees' Retirement System  
532 W. Maple Road  
Ann Arbor, MI 48103

Dear Wendy,

Thank you for giving Innovest Portfolio Solutions the opportunity to respond to the Request for Proposal for Investment Consulting Services for the City of Ann Arbor Employees' Retirement System. Please see the requested information below:

Authorized Persons to Present:

**Wendy Dominguez, MBA**

President, Principal & Co-Founder  
wdominguez@innovestinc.com  
(303) 694-1900 ext. 301  
Innovest Portfolio Solutions, LLC.  
7979 E. Tufts Ave., Suite 1700  
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**Troy Jensen, QKA, APA**

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Please see below for the key reasons we believe we are the best fit for the City of Ann Arbor Employees' Retirement System:

**Why Innovest:**

- We are an independent, fee-only firm that is completely unconflicted.
- Our experience and emphasis on public pension and OPEB plans position us as thought leaders and innovators.
- Our work, experience, and footprint in Michigan includes providing investment consulting services to the City of Ann Arbor, Washtenaw Community College, Lansing Community College, Oakland Community College, and Great Lakes Water District.
- We know the City of Ann Arbor. Since beginning our work with the Defined Contribution Plans in 2022, Innovest, along with your consultants, Troy Jensen, and Kyli Soto, has developed a strong relationship with the City and its employees, and we remain fully committed to your continued success.
- Our experienced, credentialed team of consultants led by partners of the firm creates accountability and alignment of interests.
- Our focus on forward-looking portfolio design and down-side risk quantification will result in an optimal portfolio for the Retiree Health Care and Benefit Plan and Trust.
- Our easy-to-understand, highly customized reporting will help identify key issues and improve decision-making.
- We are experts at reducing fiduciary risk for our clients through our Expert Witness Practice, having been involved in **75+** high profile retirement plan lawsuits. We build best practices for our clients, eliminating retirement plan components that are under attack by litigators.

- Our unparalleled client service with a deep team and a 7 to 1 client to employee ratio creates an environment where our clients become “raving fans.”

We have reviewed and fully understand the Scope of Work outlined and are prepared to deliver the required services with diligence and expertise. Our primary role will be to provide objective, third-party investment advice that supports the Board in making informed, strategic decisions.

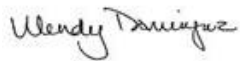
We will assist in the development and ongoing review of the Investment Policy Statement to ensure alignment with the Board’s risk tolerance, return objectives, and long-term goals. We will also conduct asset allocation studies and support investment manager searches, including all necessary due diligence.

In addition, we will help establish and maintain performance standards, regularly monitor investment manager performance, and provide quarterly reports to ensure compliance with Michigan Public Act 314.

We will support portfolio diversification efforts, actively participate in Board and committee meetings, and provide relevant education to Board members and staff. Our team will collaborate seamlessly with other service providers and ensure a smooth and efficient delivery of all services, including any required transition or conversion processes.

Thank you again for this opportunity. Should you have any questions surrounding our proposal or desire additional information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Wendy Dominguez".

**Wendy Dominguez, MBA**

President, Principal & Co-Founder

(303) 694 – 1900 Ext. 301

[wdominguez@innovestinc.com](mailto:wdominguez@innovestinc.com)

## Section 2

Innovest's Response to Attachment A -  
Requirements

## A. MINIMUM QUALIFICATIONS

The Investment Consultant must have a minimum of twenty (20) years' experience in providing investment consulting services. The Investment Consultant must be a registered investment advisor under the Investment Advisors Act of 1940. The Investment Consultant will be required to acknowledge its responsibilities as a fiduciary under Michigan Public Act 314 of 1965, as amended. If you are affiliating or partnering with a national firm, or are a local office of a national firm, the minimum qualification requirements herein must be satisfied by the individual or entity submitting this response. The Investment Consultant must attend monthly meetings of the Board's Investment Policy Committee, as well as special meetings upon request by the Board, at no additional cost to the System.

**Confirmed.** Innovest Portfolio Solutions has more than twenty years' experience providing investment consulting services. Innovest is a Registered Investment Advisor under the Advisors Act of 1940 and will acknowledge our responsibilities as a fiduciary under Michigan Public Act 314 of 1965, as amended. Innovest is not affiliated or partnering with any other firms. An Investment Consultant will attend monthly meetings of the Board's Investment Policy Committee, as well as special meetings upon request by the Board, at no additional cost to the System.

## B. SCOPE OF SERVICES

Innovest affirms our understanding of, and ability to deliver, all services outlined in the Scope of Work, including but not limited to:

1. **Development of Investment Policy, Objectives and Guidelines.** Assist the Board in the development and periodic review of a policy statement that properly reflects the Board's tolerance for risk and that best helps the Board meet its rate-of-return goals, funded status and administrative expense objectives. \*Please see Attachment C the current IPS.

**Confirmed.** Innovest will assist the Board in the development and periodic review of a policy statement that properly reflects the Board's tolerance for risk and that best helps the Board meet its rate-of-return goals, funded status and administrative expense objectives.

2. **Asset Allocation Studies.** Conduct an asset allocation study to determine whether the current asset allocation falls within the Board's investment objectives and guidelines.

**Confirmed.** Innovest will conduct an asset allocation study to determine whether the current asset allocation falls within the Board's investment objectives and guidelines.

3. **Investment Manager Search.** When deemed necessary, assist the Board in its due diligence and search for new investment manager(s) utilizing an appropriate database.

**Confirmed.** When deemed necessary, Innovest will assist the Board in its due diligence and search for new investment manager(s) utilizing an appropriate database.

4. **Development of Investment Manager Performance Standards/Guidelines.** Assist the Board in the development and review of performance standards and guidelines with which the Board can measure each investment manager's performance.

**Confirmed.** Innovest will assist the Board in the development and review of performance standards and guidelines with which the Board can measure each investment manager's performance.

5. **General Consulting Services.** Provide general consulting services as requested by the Board. These might include custodial search and selection, etc.

**Confirmed.** Innovest will provide general consulting services as requested by the Board including performing a custodial search and selection, if requested.

6. **Performance Measurement & Monitoring.** Monitoring the performance of the investment manager(s) to provide the Board with the ability to determine the progress toward the investment objectives.

**Confirmed.** Innovest will monitor the performance of the investment manager(s) to provide the Board with the ability to determine the progress toward the investment objectives.

7. **Monitor Compliance with Act 314.** Monitoring the investment of System's assets with regards to Michigan Public Act 314 of 1965, as amended, with written quarterly reports submitted to the Retirement Board.

**Confirmed.** Innovest will monitor the investment of System's assets with regards to Michigan Public Act 314 of 1965, as amended, with written quarterly reports submitted to the Retirement Board.

8. **Assist in Fund Diversification.** Assist the Board in the development of an investment manager structure that provides adequate diversification with respect to the number and types of investment managers to be retained by the Board.

**Confirmed.** Innovest will assist the Board in the development of an investment manager structure that provides adequate diversification with respect to the number and types of investment managers to be retained by the Board.

9. **Meeting Attendance.** Attend monthly Investment Policy Committee (IPC) meetings and special meetings as requested by the Board or IPC.

**Confirmed.** At least one Innovest representative from your Consulting Team will attend monthly Investment Policy Committee (IPC) meetings and special meetings as requested by the Board or IPC.

10. **Education.** Provide educational information for Board members and Staff to keep up-to-date on issues/trends, and attend appropriate Board planning sessions for more in depth discussions.

**Confirmed.** Innovest will provide educational information for Board members and Staff to keep up-to-date on issues, trends, and attend appropriate Board planning sessions for more in-depth discussions.

**11. Provide all required services within reasonable fee levels. When responding to the attached Request for Proposal, the Board encourages you to describe the ways in which you believe your service capability is special or distinctive.**

**Confirmed.** Innovest will provide all required services within reasonable fee levels.

The following key strengths and competitive advantages set us apart in providing services to our defined benefit clients:

**Proven Experience** - Team members have comprehensive backgrounds in investment consulting, investment management, trading, alternative due diligence, portfolio accounting, communications, and fiduciary consulting. Consultants average 25 years of industry experience and most have advanced designations. Our team approach provides continuity and the deep experience of professionals who possess talent and integrity.

**Custom Investment Solutions** - We build portfolios that satisfy not only return and risk parameters, but also client goals such as liquidity, investment preferences (e.g., hedge funds or derivative securities), social constraints, and issues relating to cost and client size. We are also forward-looking and process based. We aim to anticipate how the investment environment may be changing. We scour the investment universe for strategies that make sense for our clients and can do that objectively because of our conflict-free approach. Our process is iterative, which takes what we know from the past along with what we anticipate in the future to build optimal portfolios for our clients.

**Forward-Looking Asset Allocation** - Innovest projects ahead approximately five to 10 years when evaluating the capital markets, including the changes in the global economy and asset class fundamentals and valuations. Using a thoughtful and methodical approach, Innovest designs investment portfolios on a forward-looking basis by combining client-specific objectives with our long-term projections for risk, returns, and asset class correlations. We use reliable and quality outside resources to help build our long-term assumptions and to complement our internal economic and asset class research. We leverage the experience and expertise of a large universe of investment professionals in developing our capital market projections. Innovest avoids the all-too-common mistakes of simply mimicking the overall world capitalization, not adjusting for valuations, or projecting past returns into the future.

**Asset Manager Selection, Due Diligence, and Monitoring** - Innovest utilizes both quantitative and qualitative information to find the best asset managers. We not only want to invest in managers and strategies that have consistent performance, but also those that have a sound team and philosophy to help navigate fluctuating market environments. Identifying managers that perform well historically is relatively easy; where we spend our time and add value is in the hard work it takes to identify the managers that were talented, not lucky, when building their track record.

**Fiduciary Guidance: Our Focus on Governance and Protecting Your Board** - By serving in a fiduciary capacity, Innovest mitigates risk for our clients. Innovest's fiduciary expertise is demonstrated through our participation in **75+** expert witness engagements where we have been called to testify and offer supporting research and opinions on cases involving fiduciary breaches. Bill Fender, CPA and J.D., Principal, Wendy Dominguez, MBA, Principal, and Rick Rodgers, AIFA®, Principal, lead our

expert witness practice. This practice gives us first-hand experience in helping our clients avoid litigation and fiduciary breaches of duty.

**Unconflicted** - As an independent and objective fee-only firm, we do not have proprietary investment products. We do not receive revenue from our asset allocation recommendations. We are not beholden to any outside firm, nor are we incentivized to make any recommendations. We only serve our clients, and as a result, we can be transparent and perfectly aligned in our interests.

**Complete Independence** - Innovest is one of the few remaining investment consulting firms that is completely objective and conflict free. Innovest is an employee-owned firm that is not subject to the demands of private equity or the conflicts of interest of Wall Street firms. Our only motive is to serve our clients well. We do the right things in the right way and for the right reasons. We are completely independent and eschew any sort of revenue that might color our opinions or sway us from anything but objective analysis. Our clients deserve nothing less than the best of our thinking, so maintaining that independence of thought is critical to how we operate. **Innovest is different.**

**Uncommon Stewardship** - Innovest delivers personalized attention to each of our clients, with the leverage and investment access of large national firms. We get to know our clients and their needs, which allows us to create custom solutions. We include many administrative tasks in our flat fee, which saves your staff and Board time. Our team approach and 7:1 client-to-employee ratio means that you can count on Innovest to be available whenever needed. You will work with Innovest partners who are committed to making you an avid fan.

**Innovest 2024 Client Survey Results** - Striving to deliver exceptional service and results to our clients is our highest priority. Every year, we survey our clients on their satisfaction. The level of overall client satisfaction in 2024 with our services was **4.8** (1=poor, 2=fair, 3=average, 4=good, 5=excellent). Our highest scores were in the categories of treatment by our entire team and the knowledge and experience of our consultants, where we scored **4.9** out of 5.0, respectively. We believe this is evidence of our unparalleled service to our clients.

Each year, we also measure our Net Promoter Score (NPS), a gauge of client loyalty, by asking this key question: "How likely is it that you would recommend Innovest to a friend or colleague?" The NPS is widely utilized by most Fortune 1000 companies. Scoring ranges from -100 to +100, with anything above 70 deemed exceptional. The industry average for financial services companies is 44. We are proud of our 2024 NPS of **91**. The top 25% of companies have a score of 72 or higher, which places Innovest among the highest NPS scores.



**12. Staff Assistance/Miscellaneous Services: Assist System Staff as needed and coordinate with service providers such as the System's actuary, legal counsel, auditor and custodial bank. Be available to address Board questions from time to time.**

**Confirmed.** Innovest will assist System Staff as needed and coordinate with service providers. We will provide comprehensive assistance to System staff as needed and coordinate with service providers, including the actuary, legal counsel, auditor, and custodial bank. As the coordinator of your investment program, we serve as your single point of contact for the day-to-day operation of your investments.

**13. Conversion Services/Experience: When responding to the attached Request for Proposal, the Board encourages you to describe the ways in which you believe your service capability is special or distinctive.**

One of the most important components of Innovest culture is the emphasis on hiring and developing high character professionals who share the Innovest mission, core values, and bedrock principles. Innovest culture can be defined as a calling to give to our clients, our colleagues, and to the greater good.

Our culture serves as a magnet for attracting and retaining top talent in the industry, contributing to our esteemed reputation as a great workplace. This culture has earned us consistent national recognition as a "Best Place to Work" by *Pensions & Investments* ten times in the last 11 years.

Innovest's philosophy is based on excellent client service and forward-looking innovative investment solutions.

**Innovest's Client Service Standards:**

- Our client service team is committed to our firm's values and mission of stewardship. We seek to serve and our clients come first. Each client should feel that they are our most important client.
- Our client service team is committed to solving problems and finding solutions. We stay positive and focus on solutions.
- Our client service team is dedicated to exceeding expectations. We listen to clients, anticipate their needs, and identify ways to make things easier for them.
- Our client service team recognizes the confidentiality and sensitivity of the subject material we work with each day and treat it accordingly.
- Our client service team will always remain highly committed to accuracy and have a strong attention to detail.
- Our client service team is process oriented. We have documented processes and procedures to ensure consistency and maintain best practices.
- Our client service team and processes are structured to protect our clients' assets. Multiple reviews and approvals are required for all client transactions.

- Our client service team is comprised of a deep and experienced group of individuals that have been cross trained to allow team members to be able to ask for help and share workloads when necessary.
- Our client service team is committed to providing consistent and clear communication. We maintain a service standard of responding to client requests within 24 hours of the request.
- Our client service team holds ourselves accountable for delivering uncommon service. We survey our clients annually and seek continuous improvement.

## C. ORGANIZATION BACKGROUND

### 1. How long has your company been in existence?

Innovest has been operating for **29 years**, having been established on July 1, 1996.

### 2. Is your organization a subsidiary, parent, or affiliate of any other firm? If so, please describe in detail. Also, do any of these affiliates provide any other retirement fund services such as investment management, actuarial work, etc.? If you provide more than one service, how do you protect against conflicts of interest? Have you ever included your own firm, affiliate or sponsored investment vehicle in a manager search you are conducting?

Innovest is not a subsidiary, parent, or affiliate of any other firm. Innovest provides investment consulting services to retirement plans and we also have an expert witness practice.

Our independence and objectivity allow us to avoid potential conflicts of interest. Innovest approaches client relationships differently than most. We are more than investment advisors; we are stewards. By being completely independent and fee-only, we are never beholden to the conflicts of interest that commissions and proprietary products create. We are relationship focused and provide much more than investment expertise; we are trusted advisors that are the "go to" professionals for our clients. We were fiduciary to our clients before it was popular. We would like to believe we are the standard that many in our industry are still moving toward.

Since we do not have any products to sell, we have not included our firm in any asset manager searches we perform for clients.

#### Firm History

Innovest Portfolio Solutions, LLC is a privately held, employee-owned firm, with offices in Colorado, California, and Florida. At Innovest, we pride ourselves on being true fiduciaries, delivering unbiased and client-centric solutions. This unique structure ensures that we remain steadfastly committed to our clients' best interests, avoiding conflicts inherent in commission-based models and proprietary investments.

Since our founding on July 1, 1996, Innovest has been under the direction of our co-founders, Richard Todd and Wendy Dominguez. Having grown tired of the conflicts of interest in the Wall Street firm where they worked, Rich and Wendy established Innovest with the objective of better serving clients'

best interests in a conflict-free environment and acting as stewards for our clients, employees, and community.

Today, Innovest consults to more than 300 clients with more than \$50 billion in assets under advisement. Over the last 29+ years, our team has grown to more than 60 employees including 19 partners, all with a unified mission to ensure our clients achieve their investment goals and objectives.

Innovest fully understands the nature of your scope of work and looks forward to partnering with you as an investment consultant and fiduciary. Our years of experience coupled with our focus on retirement plan clients, custom portfolio approach, and unwavering commitment to transparent and client-aligned governance, uniquely positions us to serve as your trusted consultant. Please see below our accolades over the years:

*Please see below for a sampling of the accolades Innovest has received over the years:*

- *Financial Advisor*, #15 ranking, Top RIA firms with more than \$1 Billion in Assets Under Advisement, 2025
- *Pensions & Investments*, Best Places to Work in the Nation, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2014
- *The Denver Metro Chamber of Commerce* named Innovest a Small Business of the Year in the category of businesses employing 100 or fewer full-time employees, 2024
- *Pensions & Investments*, Eddy Award, Colorado State University, Service Provider - Innovest, 2024
- *National Association of Plan Advisors*, Top DC Advisor Firm, 2024, 2022, 2019, 2018
- *Pensions & Investments*, Innovest ranked as the 36th largest investment consultant in the nation based on worldwide institutional assets, 2023
- *ColoradoBiz Magazine*, Colorado Company to Watch, 2023
- *Pensions & Investments*, Innovest ranked as the 41st largest investment consultant in the nation based on worldwide institutional assets, 2022
- *PlanAdviser*, Top 100 Retirement Plan Advisers of the Year, 2021, 2019, 2018, 2016
- *Pensions & Investments*, Innovest ranked as the 54th largest investment consultant in the nation based on worldwide institutional assets, 2021
- *Pensions & Investments*, Eddy Award, University of Colorado, Service Provider - Innovest, 2016
- *Financial Advisor*, #14 RIA Ranking, 2016
- *Employee Benefit Adviser*, Most Influential Women in Benefit Advising (President Wendy Dominguez), 2016
- *PLANSponsor*, Retirement Plan Adviser Team of the Year, 2014 to 2015

*Please see Section 4 for Innovest Articles of Note.*

**3. What is the number of full-time employees in your firm? What is the location of your office in relation to Ann Arbor, Michigan? Provide a breakdown by classification (consultant, managerial, clerical, etc.) for both your national and local operation. If more than one office, how are consultants apprised of developments in the investment arena?**

Innovest currently has 60 full-time employees, 19 of whom are principals. Our headquarters are located in Denver, Colorado, which is also where your consulting team is based. All members of your team work out of this office and will serve you directly from this location.

*Please see below for Innovest's Organizational Chart.*

Innovest Portfolio Solutions, LLC						
<div>Board of Managers</div> <div>Richard Todd &amp; Wendy Dominguez, MBA</div>						
Innovest Leadership Team						
Richard M. Todd	Wendy Dominguez, MBA	Peter Mustian, MBA	Sloan Smith, CAIA, MBA, CPWA®	Christian O'Dwyer, CFA		
Consulting Team	Marketing Team	Client Service Team	Portfolio Acct. Team	Research	Business Operations Team	Expert Witness
Richard Todd CEO, Principal & Co-Founder	Garry Beaulieu Principal	Nancy Swanson Principal	Joe Lemming Senior Manager	Joanne Cinalli, CPA® Vice President	Pam Cruz Principal, Compliance, HR, Finance	Bill Fender, J.D., CPA, AIFA® Principal
Wendy Dominguez, MBA President, Principal & Co-Founder	Sarah Newman Principal	Kathy Lalone, MBA Principal	Julie Kennedy Manager	Peter Girard Manager	Carol VanGytenbeek Office Manager	
Peter Mustian, MBA Principal & COO	Paul D'Alessandro Vice President	Eileen Pohs Manager	Brian Curran, MPA Lead Senior Analyst	Sydney Aeschlimann Manager	Lori Foster Administrative Assistant	
Gordon Tewell, CFA, CPC Principal	Jason Romero, MBA Vice President & Director	Abigail Thomas Manager	Anna Berdahl Lead Senior Analyst	Cheryl Wilks Manager	Teri Tomei Executive Assistant	
Kristy LeGrande, CFA, MBA, Principal	Christine Hudek, AIF® Senior Manager	Taylor Smith Senior Analyst	Christine Fuhrman Lead Senior Analyst	John Brock Senior Analyst	Taylor Lupica Analyst Assistant	
Sloan Smith, CAIA, MBA, CPWA® Principal & Director	Stephanie Dufano Manager	Marleen Zakovich Analyst	Sydney Armstrong Analyst Assistant	Natalie Miller, CFA Senior Analyst		
Jared Martin, CFP®, AIF® Principal	Marisa Joseph Senior Analyst	Sarah McGuire Analyst	Parker Cadieux Analyst Assistant	Austin Cleveland Senior Analyst		
Rick Rodgers, AIFA® Principal	Tracey Blackford Analyst Assistant	Denise Rice Analyst		Matt Foster Analyst		
Troy Jensen, QKA, APA Principal	Colin Donovan Analyst Assistant	Blanca Quintanilla Analyst		Ian Gilbert Analyst		
Christian O'Dwyer, CFA Principal		Lauren Wesselman Analyst Assistant		Luke Hollister Analyst		
Dustin Roberts, QKA, AIF®, MBA Principal				Brooklyn Seymour Analyst Assistant		
Kyli Soto, AIF®, CPA® Principal				Mark Elliot Analyst Assistant		
Frank Cornett, CFP® Principal				Taylor Truitt Analyst Assistant		
Robert Stebbins Vice President						
Tomas Jansson Vice President						
Steven Karsh, MBA Vice President						

 NexGen Members - Future leaders of the

**4. Please submit biographical profiles on the individual(s) who will be assigned to our account. Also, where are these individuals located? Who will attend review meetings?**

Innovest uses a team approach to provide a robust and in-depth level of experience and skill. Our team-based model ensures continuity of service. We have significant investment expertise and a deep, focused team of professionals to drive the best solutions for our clients.

Your team will consist of three consultants, all of whom are partners of the firm and two of whom already work with your defined contribution plans. Your Innovest team will attend all meetings, review investments, and partner with you for strategic planning. This team is equipped with a wealth of experience in the retirement plan arena, each of them earning some of the industry's most respected designations.

- **Wendy Dominguez, MBA, President, Principal & Co-Founder**
- **Troy Jensen, QKA, APA, Principal**
- **Kyli M. Soto, AIF®, CPFA®, Principal**

Most Innovest consultants are partners of the firm. This is a big differentiator and leads to uncommon service for our clients. Typically, we will meet with your board on a quarterly basis. As each client is organized uniquely, we will meet with management and board members as necessary to provide fiduciary oversight and meet the needs of your organization. Consultants are always available for additional in-person meetings if needed. Phone calls will be returned within one business day. Your Innovest consulting team will agree on a plan with your board regarding all work projects, and we will meet every deadline.

*Please see below for your consulting team's biographies.*

**Wendy Dominguez, MBA, President, Principal & Co-Founder**

Wendy is the President and Co-Founder of Innovest Portfolio Solutions. Wendy brings more than 30 years of experience in the investment consulting industry and is a nationally recognized expert in retirement plan strategy. At Innovest, she is on the Executive Leadership Team and also leads the firm's Retirement Plan Practice Group, where she works closely with some of the largest retirement plans in the country to drive process improvements, reduce plan fees, and strengthen fiduciary oversight.

She has been honored as one of the 20 Most Influential Women in Benefit Advising by Employee Benefit Adviser and was named one of the Financial Times' Top 100 Women Financial Advisors. Her insights on plan design, vendor consolidation, and cost control have been published in Pensions & Investments, NAGDCA, and other national outlets.

Wendy is also deeply involved in governance and public service. She serves on the Public-School Fund Investment Board, overseeing \$1 billion in investments for the benefit of Colorado's public school students. In addition, she sits on the boards of FirstBank, The Colorado Trust, and the 100 Club of Denver, and has previously served as a trustee for Metropolitan State University.

She holds a Bachelor's degree in Finance and Economics and an MBA from the University of Denver, where she was recognized with the Reiman School of Finance Distinguished Alumni Award. Wendy is also a proud mom of twins and the wife of a retired Denver Police SWAT officer.

**Troy Jensen, QKA, APA, Principal**

Troy is a Principal and Consultant at Innovest Portfolio Solutions. He focuses primarily on guiding retirement plan sponsors and institutional investors in the execution of their investment, fiduciary, compliance, and operational responsibilities. Troy is part of Innovest's Retirement Plan Practice Team, a specialized team that identifies best practices and implements process improvements to maximize efficiencies for retirement plan clients.

Troy has earned a Qualified 401(k) Administrator (QKA) credential from the American Society of Pension Professionals and Actuaries (ASPPA) and an Accredited Pension Administrator (APA) designation from the National Institute of Pension Administrators (NIPA). He holds a Bachelor of Arts degree from Bethel University in St. Paul, Minnesota, with a dual-major of Business and Political Science and a minor focus in Psychology.

Prior to joining Innovest, Troy served clients as a retirement plan and investment consultant, trust officer and compliance specialist with Wells Fargo, Empower Retirement, ANB Bank, and Strategies Capital Management. Troy currently serves on the Board of Directors of the Western Pension & Benefits Council, Denver Chapter. Troy's work has been featured in *401k Specialist* and the *TEXPERS Newsletter*.

Troy hails from Minnesota, carrying the requisite wounds and scars earned from a lifetime of Vikings, Timberwolves, and Twins fandom. He escaped to Colorado in 2006, where two daughters and three rescued dogs round out the family. They enjoy hiking and taking in the natural beauty and wildlife of the Rocky Mountains together.

**Kyli M. Soto, AIF®, CPFA®, Principal**

Kyli is a Principal and Consultant at Innovest Portfolio Solutions. At Innovest, Kyli provides consulting services to committees and boards of retirement plans. She also manages the relationships between service providers and plan sponsors and provides ongoing vendor management for Innovest's clients. Kyli is a member of the Retirement Plan Practice Group, a specialized team that identifies best practices and implements process improvements to better serve our retirement plan clients.

Kyli helps manage these processes and assists in Innovest's retirement plan efforts, working with the analyst team that supports the Retirement Plan Practice Group. In addition to serving her clients, Kyli's responsibilities also include assisting with recordkeeper and service provider searches and reviewing client performance reports. Kyli is also a member of the NexGen Society. Members of the NexGen Society are dedicated to leadership and instilling the Innovest culture into future generations. The elite NexGen members are selected by Innovest's executive team and receive specialized training and responsibilities. Previously, Kyli worked on the marketing team at Innovest, helping write proposals, create presentations, and assist with business development efforts.

Kyli returned to the Innovest team in 2018 after working in Puerto Rico for seven years at Bluewater Defense, an apparel manufacturing company that specializes in Made-In-The-USA military apparel and equipment. While at Bluewater, Kyli was responsible for supply chain, business development, product development, program management, customer support, and quality assurance. Additionally, on behalf of Bluewater, Kyli was a guest speaker to the Obama administration at The White House Manufacturing USA Stakeholder Event and a recipient of Apparel Magazine's Top Under 30 Elite in 2017.

Kyli graduated with distinction from Yale University with a Bachelor of Arts in both Economics as well as Near Eastern Languages and Civilizations with a concentration on the Ancient Near East. While at Yale, Kyli played NCAA Division 1 women's softball, where she was named All-Ivy League Honorable Mention. Kyli holds the Accredited Investment Fiduciary (AIF®) designation, the Certified Plan Fiduciary Advisor (CPFA®), and the Series 65 License (Registered Investment Adviser Representative) through FINRA. Kyli has authored several investment-related articles that have been published in the *TEXPERS* newsletter, *401k Specialist*, and *BenefitsPro*.

Kyli also received her Certificate of Culinary Arts & Wine from Cook Street Culinary Academy in Denver, an accelerated culinary arts program endorsed by the American Culinary Federation®. Kyli is happily married to her husband Jorge and in her free time enjoys playing golf, pickleball, and CrossFit. Jorge and Kyli are proud parents of their fur baby, Sandlot, an Australian Cattle Dog rescue.

**5. How many investment professionals have left your company in the last three (3) years? How many support staff have left your company in the last three (3) years? Be specific as to experience, performance measurement, manager search, investment policy consulting.**

Between 2023 and 2025, a total of 14 employees departed from the company, comprising nine investment professionals and five support staff. Investment professionals included individuals in roles such as Manager, Partner, Business Development and Vice President, while support staff included an Analyst, Senior Analyst, Lead Senior Analyst, and Executive Assistant. The reasons for departure included to pursue other opportunities, retirement, medical, and family needs. Tenure among those who left ranged from 1 to 21 years, with some long-serving partners and analysts among the retirees and others transitioning to new opportunities after shorter tenures.

**6. How many accounts/clients have you gained in the last 3 years? How many accounts have you lost in the last three (3) years and why?**

In the past three (3) years, Innovest has gained 17 new public clients, and we have lost four (4) retirement plan clients: two due to mergers, one because they switched to a Multiple Employer Plan (MEP), and the fourth was due to a competitive bid. Please note that we have not lost a public plan client since 2019.

**7. Please explain size, composition, and source of your performance measurement database. What indices are used for relative comparisons? Were your software systems developed entirely in-house or purchased from outside sources? If you do not maintain databases, whose database do you use?**

Innovest utilizes both internal systems and subscription-based platforms like InvestmentMetrics PARis, Morningstar, Litman Gregory, and Investworks. Internally, we store a diverse range of information, including commentary, due diligence documents, contacts, and meeting notes, while subscription databases provide quick access to performance metrics for thousands of strategies. This data aids in screening and comparing investment products.

Our client reporting system links with InvestmentMetrics for effective portfolio monitoring. We have also developed a proprietary scoring system within our reporting system, evaluating criteria including

Organization, People, Culture, Style Consistency, Philosophy/Process, Asset Base, Performance, Expenses, and Overall.

Combined, our databases contain information on more than 16,000 investment products, spanning 6,500 mutual funds, 5,600 separate accounts, and 4,000+ hedge fund products. These databases cover diverse asset classes, from traditional (e.g., domestic stocks and bonds) to non-traditional (e.g., hedge funds and private equity). We review and update the databases we utilize continuously. We have maintained this database since 2010.

A sample of the indices we use are the S&P 500 Index, S&P Completion Index, Russell 2000 Index, MSCI EAFE (Net) Index, and Bloomberg Global Aggregate.

*For a complete list, please see Section 5.*

8. **What public funds experience do you have? Provide a list of all public pension fund and retiree health care fund clients under contract to date. Please provide a minimum of 3 references by name of client, type of client, contact person, address and telephone number.**

**We are defined benefit plan experts.** Innovest helps clients manage their plans by identifying high-quality investments, supporting strong governance, and enhancing plan design to meet funding goals. We focus on aligning the plan's asset allocation with plan liabilities, recognizing that asset allocation drives more than 90% of return variability. Our forward-looking approach combines strategic insight with customized portfolio design to minimize volatility while meeting client objectives. We continuously evaluate the investment landscape to identify strategies that align with evolving needs. Grounded in transparency and fiduciary responsibility, our comprehensive consulting services equip boards and staff with the tools and knowledge to make informed, long-term decisions.

Innovest has significant experience with Retiree Health Care Trusts/Other Post-Employment Benefits (OPEB) plans. For more than 13 years, we have advised on the Colorado State University OPEB plan, conducting comprehensive asset allocation studies, providing tailored product recommendations, and implementing alternative investment products to hedge market risk. We are public plan experts and work with more than 80 public plans ranging from \$15 million to nearly \$9 billion in plan assets.

*Please see our Public Client List below.*

## Innovest Public Sector Client List

Adams County, CO 457(b)	City of Mesa, AZ 457(b)	Moffat County, CO 401(a), 457(b)
Adams 12 Five Star Schools, CO 403(b), 457(b)	City of Mesa Fire and Medical, AZ 401(a), 457(b)	Northern Colorado Water, CO 401(a), 457(b)
Arapahoe County, CO 401(a), 457(b)	City of North Las Vegas, NV 401(a), 457(b)	Northern Colorado Water, CO DB
Arizona United Firefighters Healthcare Fund	City of Northglenn, CO 401(a)	Oakland Community College, MI 401(a), 493(b), 415(m), 457(b)
Aurora Police, CO 401(a), DB	City of Northglenn Police, CO 401(a)	Oklahoma Tobacco Settlement Endowment Trust Fund, OK DB
Bismarck Fire Fighters Relief Association, ND DB	City of Scottsdale, AZ 457(b)	Pitkin County, CO 401(a)
Boulder Fire & Police, CO 401(a)	City of Tempe, AZ 401(a), 457(b)	Poudre Fire New Hire & Old Hire, CO 401(a)
Boulder OH Fire, CO	City of Thornton, CO 401(a), 457(b)	Pueblo Water Works, CO 457(b)
Boulder OH Police, CO	City of Thornton Fire, CO 401(a)	Pueblo Water Works, CO DB
Cherry Creek Public Schools, CO 403(b)	City of Thornton Police, CO 401(a)	Regional Transportation District, CO 401(a)
CIRSA, CO 401(a)	City of Tucson, AZ 401(a), 457(b)	Roaring Fork Transportation Authority, CO 401(a)
City of Ann Arbor, MI 401(a), 457(b)	City of Tucson Fire, AZ 401(a)	San Diego Public Schools, CA 401(a), 403(b), 457(b)
City of Aurora, CO 401(a), 457(b)	City of Westminster, CO 401(a), 457(b), 457(f)	County of Santa Clara, CA 457(b)
City of Boulder, CO 457(b)	City of Wheat Ridge, CO 401(a), 457(b)	County of San Mateo, CA 457(b)
City of Brighton, CO 401(a), 457(b)	City of Wheat Ridge Police, CO 401(a)	Santa Clara Valley Water District, CA 401(a), 457(b)
City of Chandler, AZ 457(b)	Colorado Higher Education ORP	St. John's River Water Management District, FL 401(a), 457(b)
City and County of Denver, CO 457(b)	Colorado Retirement Association 401(a), 457(b)	Summit County, CO – CRISP 401(a)
City of Englewood, CO 401(a), 457(b)	Colorado School of Mines, CO 401(a), 403(b)	Tempe, AZ Fire Trust
City of Englewood, CO DB	Colorado State University, CO 403(b)	Town of Breckenridge, CO 401(a), 457(b)
City of Fort Collins, CO 401(a), 457(b)	Denver Health & Hospital Authority, CO 401(a), 457(b)	Town of Castle Rock, CO 401(a)
City of Fort Collins Police Pension, CO 401(a)	Denver Housing Authority, CO 401(a), 457(b)	Town of Castle Rock Police, CO 401(a)
City of Golden, CO 401(a), 457(b)	Denver Public Schools, CO 401(a), 403(b), 457(b)	Town of Gilbert, AZ 457(b)
City of Grand Junction, CO 401(a), 457(b)	Denver Regional Council of Governments, CO 401(a), 457(b)	Town of Oro Valley, AZ 457(b)
City of Grand Junction Police, CO 401(a)	Denver Regional Council of Government, CO HRA	Town of Vail, CO 401(a), 457(b)
City of Goodyear, AZ 401(a), 457(b), RHS	Great Lakes Water Authority, MI 401(a), 457(b), RHS	Town of Vail Recreation District, CO 401(a), 457(b)
City of Kansas City, MO 457(b)	Jefferson County Public Schools, CO 403(b)	University of Colorado, CO 401(a), 403(b)
City of Las Vegas, NV 401(a), 457(b)	Lansing Community College, MI 401(a)	University of Northern Colorado, CO ORP
City of Lafayette, CO 401(a), 457(b)	Larimer County, CO 401(a), 457(b)	Washtenaw Community College, MI 401(a), 403(b), 457(b)
City of Littleton, CO 401(a)	Littleton Public Schools, CO 401(a), 403(b), 457(b)	Weld County, CO DB
City of Longmont, CO 401(a)	Metro Water Chicago, IL 457(b)	Wisconsin Technical College System, 403(b), 457(b)
City of Longmont, CO DB	Metro Water Recovery, CO 401(a), 457(b)	
Larimer County, CO HRA	Milwaukee Metropolitan Sewerage District, WI, 457(b)	
City of Loveland, CO 401(a), 457(b)		
City of Loveland Fire, CO 401(a), 457(b)		
City of Loveland Police, CO 401(a)		

We do not use performance-based criteria in determining which clients to include in this list. It is not known whether listed clients approved or disapproved of the services provided. This list was created using the following criteria: Innovest's public sector clients as of July 2025.

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*Below you will find all of our public pension fund and retiree health care fund clients under contract to date.*

Arapahoe County  
Archdiocese of Denver  
Arizona United Firefighters Healthcare Fund  
Aurora Police Department  
Boulder Fire & Police  
CIRSA - Colorado Intergovernmental Risk Sharing Agency  
City Of Ann Arbor  
City Of Aurora  
City Of Boulder  
City Of Brighton  
City Of Englewood  
City Of Fort Collins  
City Of Golden  
City Of Goodyear  
City Of Grand Junction

City Of Lafayette  
City Of Las Vegas  
City Of Littleton  
City Of Longmont  
City Of Loveland  
City Of Mesa  
City Of North Las Vegas  
City Of Northglenn  
City Of Scottsdale  
City Of Tempe  
City Of Thornton  
City Of Tucson  
City Of Westminster  
City Of Wheat Ridge  
City Of Wheat Ridge Police  
Colorado Pipe Industry  
Colorado School of Mines  
County Of San Mateo  
County of Santa Clara  
CRA - Colorado Retirement Association (CRISP)  
CSU - Colorado State University  
CU - University of Colorado  
Denver Fire's Post Employee Health Plan  
Denver Health  
Denver Housing  
DRCOG - Denver Regional Council Of Governments  
Great Lakes Water Authority  
Lansing Community College  
Larimer County  
LPS - Littleton Public Schools  
Metro Water Recovery  
Moffat County  
Northern Colorado Water  
Oakland Community College  
PFA Local - Poudre Fire Authority  
Pitkin County  
RFTA - Roaring Fork Transportation Authority  
RTD - Regional Transportation District  
San Diego County Schools  
Santa Clara Valley Water District  
Town of Breckenridge  
Town of Castle Rock  
Town of Gilbert  
Town of Vail

## References

### Northern Colorado Water (DB)

**Contact Name:** Brad Wind

**Title:** General Manager

**Phone Number:** 970-622-2320

**Email:** bwind@ncwcd.org

### City of Englewood (DB)

**Contact Name:** Monica Kinnerman

**Title:** Benefits Experience Partner

**Phone Number:** 303-762-2372

**Email:** mkinnermon@englewoodco.gov

### City of Longmont DB

**Contact Name:** Teresa Malloy

**Title:** ACFO

**Phone Number:** 303-651-8970

**Email:** teresa.molloy@longmontcolorado.gov

## 9. Why is your firm uniquely qualified to service our account?

**We know you.** We currently work with your 401(a) and 457(b) plans. Since our retention in June of 2022, Innovest has delivered significant cost savings by negotiating lower vendor fees and reducing investment expenses within the plan's utilized funds.

## 10. Please describe your record retention policy and your systems backup process.

Innovest currently uses Azure Active Directory and Microsoft SharePoint for our systems backup process for company users and data storage. The Innovest cloud server, through SharePoint, stores all data used by employees, and only active employees can access the site. All employee computers are password protected, and multi-factor authentication secures all accounts, which requires a one-time passcode every time the SharePoint site is accessed online. Employee computers regularly ask for authentication prompts every few weeks. All storage is secured and backed up by Microsoft.

## 11. Please disclose formal or informal business relationships with investment managers or other service providers to pension trust funds.

**None.** Innovest does not have any formal or informal business relationships with investment managers or other service providers to pension trust funds.

## 12. Please describe the transition process when taking on a new client. Please discuss computer systems and data issues.

Innovest's Client Service Team will execute our comprehensive onboarding process. To start, the team will request access to the following items to ensure a successful and efficient on-boarding experience.

- Historical quarterly performance

- Contacts for asset managers and any separate account managers
- Contacts at your current custodian
- Recent account statements
- Formation documents
- Names and contact information for all account signers

The team will then prepare signature-ready paperwork to obtain authorization for account and online access to receive daily downloads of transaction data.

Our standard process for transitioning existing assets, including equities and fixed income, involves transferring the holdings in-kind rather than selling them off for liquidation. Our team will prepare and coordinate all paperwork. We will assist in the transfer and reconciliation of assets between asset managers. We will maintain constant communication with Board members during the transition and provide weekly written email updates.

As the coordinator of your investment program, we will be your single contact in the day-to-day operation of your investments. Innovest has 29 years of experience working with custodians to invest deposits, process withdrawals, wires, ACH, checks, submit trades, and prepare all custodian/investment paperwork for client signature. We are your first point of contact, and we will assist your staff and reduce their burden of work.

We retain all records for a minimum of five years based on SEC regulations.

#### **Computer Systems and Data Issues**

Our in-house Portfolio Accounting team uses specialized software to pull in daily transactions and pricing data from our clients' custodians. This data is verified using tools like Investment Metrics and Morningstar, ensuring accurate performance calculations. Innovest facilitates monthly reconciliation between asset managers and the custodian. We can also provide monthly reporting if requested.

## **D. INVESTMENT POLICY/ASSET ALLOCATION GUIDELINES**

- 1. Provide an outline of the principal steps you would follow when developing a statement of Investment Policy and Objectives. Does your investment policy and asset allocation analysis fully integrate liabilities with assets? How do you interface with the System's actuary?**

Innovest helps clients develop and/or modify and refine their investment policy statement (IPS). Innovest views the IPS as a working document, the contents of which will change in accordance with any changes made to asset allocation variables. The document serves as a paper trail for future Board members. We utilize the IPS to translate the established risk/reward characteristics for each fund into written investment guidelines, or "job descriptions," and performance benchmarks for each asset manager and the total portfolio. Each fund within the portfolio is reviewed quarterly to ensure compliance with the IPS.

In addition, the IPS is reviewed at least on an annual basis to confirm that it is still consistent with the client's objectives. A review of the institution's spending policy is also incorporated within the review

of the IPS. We believe that developing appropriate spending policies is an integral part of our investment planning process.

The IPS we develop for our clients combines the elements of planning and philosophy and includes five specific sections which define asset class structures, investment objectives, and risk management.

- **Purpose.** The opening section of the IPS states the motivation for the document and each subsequent part of the statement. This section identifies the parties that will carry out the policies within and acknowledges the applicable fiduciary duties of these parties with respect to the investment portfolio.
- **Statement of Objectives.** The desired interim and end results of the investment program are set in this section. Objectives should be decided in conjunction with a comprehensive review and assessment of projected financial requirements, desired number and type of options, attitudes, expectations, experiences, investment time horizon, and quantifiable risk tolerance.
- **Guidelines and Investment Policy.** This section is used to articulate expectations of the investment program and to acknowledge the uncertainties of investing in the capital markets. By reading the IPS, a person reviewing the portfolio, such as an auditor or litigator, should be able to reconstruct the process that was followed in structuring the portfolio. Specific return objectives, diversification guidelines, investment time horizon, and the rebalancing schedule are described and documented in this section. We believe that the downside risk of the portfolio should be specifically calculated and included in the policy.
- **Selection of Asset Managers.** By establishing fund selection criteria in this section, we clearly state the standards used to screen for appropriate products and define what will lead to a product replacement or review. General criteria for asset manager selection should include performance criteria and standards, legal constraints, and firm qualitative issues.
- **Monitoring Procedures.** This section documents the expectations for regular review of the guidelines and investment policy previously stated in the IPS. It also establishes formalized criteria to regularly evaluate and compare the performance results achieved by asset managers. Monitoring responsibilities are included for each party.
- **Asset Allocation.** Innovest's asset allocation process enables us to design portfolios to meet a specific return or risk objective. We also assist clients in establishing liability-driven investment (LDI) mandates, which align the portfolio with the timing and structure of their liabilities. When developing an asset allocation, we will tailor the portfolio to meet the return assumptions set by the actuary.

## 2. How many meetings would be required with the Retirement Board? Who would attend from your firm and who else would be involved?

Typically, we will meet with the Board on a quarterly basis, however your consulting team is always available for additional meetings if they arise.

**3. Provide an outline of the issues and items that would be covered in a typical policy statement.**

*Please see question D1 starting on page 17 above for information on the items that would be covered in a typical policy statement.*

**4. What is your approach to development of asset allocation guidelines? Please describe this process in detail, including application of major variables (e.g. – risk tolerance, emerging liabilities, etc.).**

Using a thoughtful and methodical approach, Innovest designs investment portfolios on a forward-looking basis by combining client-specific objectives with our long-term projections for risk, returns, and asset class correlations.

Asset allocation is an art, not a science, and the appropriate portfolio can only be determined thorough dialogue with each client. We believe that effective portfolio construction starts with clients identifying their risk tolerance. We believe it is critical for clients to understand the volatility risks associated with their portfolio and be comfortable with that risk budget. Risk lies in the eyes of the beholder; no asset is ever truly and permanently "safe" or "risky."

Portfolio risk is best mitigated through effective portfolio diversification. We believe that the outputs of any computerized optimization asset allocation model will only be as good as the inputs. Projecting historical performance into the future results in both inaccurate and unrealistic projections. Therefore, our asset allocation modeling utilizes a forward-looking approach to the capital markets environment and asset class returns. Diversification among and within asset classes and strategies is essential to reducing investment risk and meeting long-term objectives.

Though risk and return projections cannot be exact, a forward-looking approach is critical in assessing the relative value and diversification benefits of different assets that make up an investment portfolio. Projections ultimately determine a portfolio's asset allocation. These projections help us design and implement custom portfolios that seek to maximize risk-adjusted returns.

Based on this analysis, the overall asset allocation policy targets are adjusted to meet client objectives. Innovest works to ensure that portfolios are appropriately diversified and reasonable considering the current and expected economic conditions. The entire process is guided by experienced investment professionals to ensure that qualitative factors are also taken into consideration.

While our long-term projections may fluctuate annually, our long-term portfolio growth targets and estimates of downside portfolio risk have consistently remained within the projected ranges. Because the financial markets are uncertain, we believe the best approach is to focus on what is important, portfolio risk and reward along with diversification in and among assets. Because patience is the cardinal virtue for stewards of long-horizon investment programs, we are long-term strategic investors.

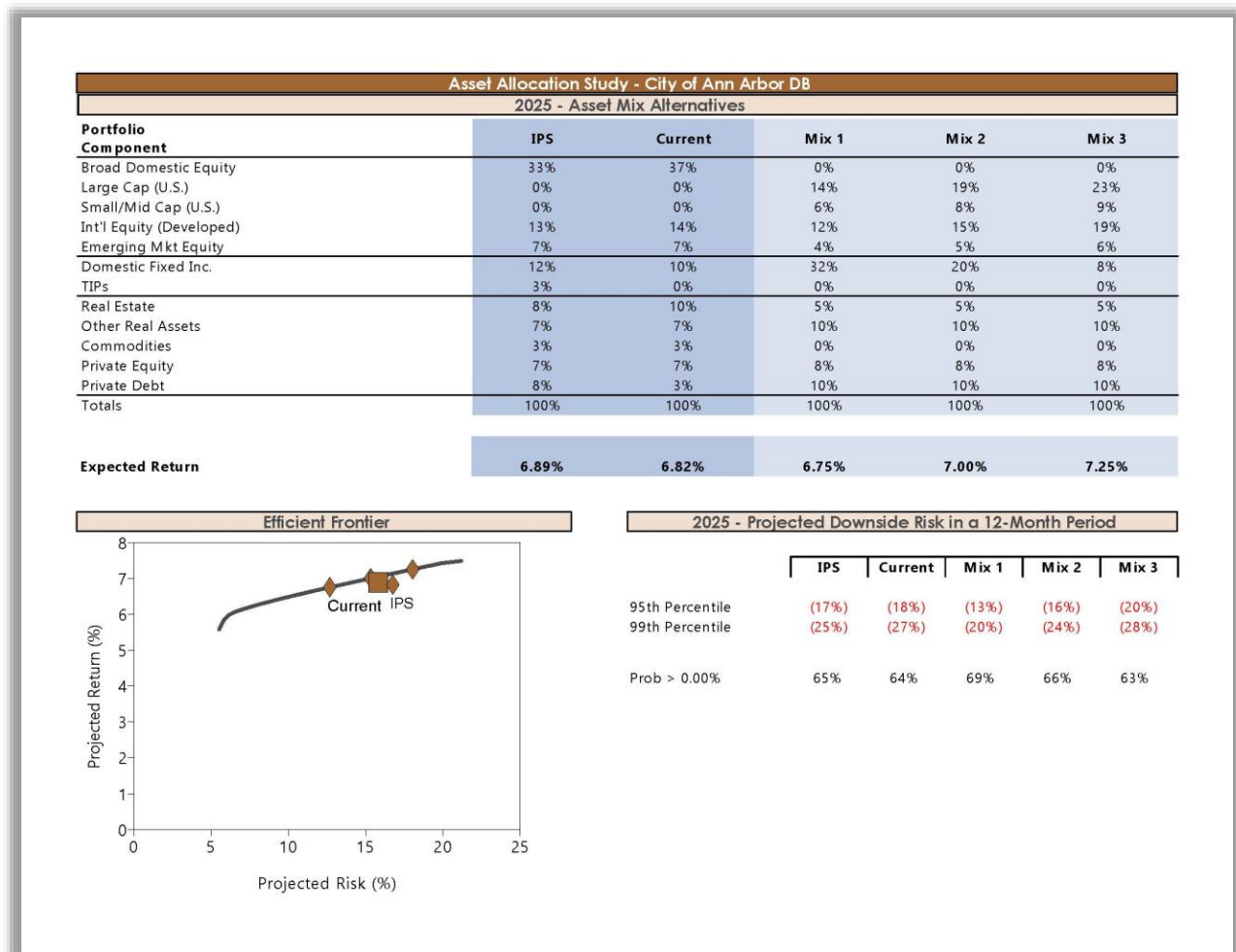
## Portfolio Construction

Innovest begins its portfolio construction process by understanding the unique goals and objectives of each client. Our work is completely custom. Instead of using model portfolios, we construct the most suitable investment strategy based on the specific circumstances of each situation. We believe in designing investment portfolios with a forward-looking approach, acknowledging the inherent flaws in averaging past investment returns and projecting them into the future.

We create custom portfolios for clients based on return objectives, risk tolerance, time horizon, liquidity constraints, spending needs, and other special considerations. Our rigorous capital markets process, conducted annually by Innovest's Investment Committee and Capital Markets Group, forms the basis for developing risk, return, and correlation assumptions based on five-year projections. Experience has shown that a five-year to 10-year investment horizon is the most appropriate time unit for modeling simulations, even when the actual investment time horizon is substantially longer. We utilize all available asset classes, from the traditional (e.g., domestic stocks and bonds) to non-traditional (e.g., hedge funds and private equity), gathering input from internal and external sources. We regularly review our process, at least annually.

As an example of our thoughtful, but very preliminary work, we have modeled a few sample portfolio mixes below. Please note that the analysis we have included will likely be adjusted after we learn more about your goals and objectives, however, we believe this exercise demonstrates the value of our investment process. For instance, based on our forward-looking five-to-10-year projections, the current modeled return of the portfolio stands at 6.82%, with a potential one-year loss of -18% to achieve that return. By making slight adjustments to the asset allocation, such as with Mix 2 and increasing the allocation to diversifiers, we can increase the expected return to 7.00 %, while decreasing downside risk to -16%. This approach to asset allocation, presented solely as an illustrative example is not a specific investment recommendation.

*Please see below for a Sample Asset Allocation.*



## 5. What asset classes are included in your work? What asset classes are not included and why?

Innovest values the significant role of each asset class in determining suitable risk levels. We categorize asset classes into four roles: Growth Engine, Diversifiers, Inflation Sensitive, and Deflation Hedge. For instance, Growth Engines include private equity, global public equities, and high-yield credit, while Diversifiers comprise hedge funds, real assets, and absolute return-focused managers. Inflation-sensitive asset classes encompass Master Limited Partnerships (MLPs) and real estate, and deflation hedges involve high-quality fixed income and cash. These examples offer insight into our approach to portfolio construction, though they do not encompass all utilized asset classes. Derivative securities would not be recommended for the portfolio, unless they were part of a diversified hedge fund.

**6. What geographic areas of the world do you consider appropriate for pension asset investments?**

Innovest's Due Diligence Team regularly assesses the economic conditions, political stability, regulatory environments, and growth opportunities in both global and domestic regions. Based on this analysis, we remain thoughtful on international and emerging markets. We believe these markets represent an opportunity for greater diversification. However, different regions can have different types and levels of risk including currency risk, political risk, and economic volatility. We tend to be benchmark aware with respect to portfolio weighting in our emerging markets exposure.

Innovest believes it is important to be diversified across geographic regions. We would consider U.S., International Developed, and Emerging Markets appropriate for pension asset investment. However, we tailor our recommendations exclusively to each client's investment objectives and maintain independence without any geographic preferences, commitments, or considerations. This ensures our advice remains objective and not limited to specific geographic areas.

**7. Does your approach include passive strategies such as indexation? If so, please describe.**

**Yes.** While we are neutral on the topic of active versus passive management, we believe that passive management often works well in areas that are efficient (such as large-cap U.S. equities), and we believe that active management has a higher likelihood of adding value in other asset classes (including fixed income, small-cap U.S., and non-U.S. equities). Since the relative performance of active versus passive tends to go in cycles, a combination of active and passive strategies may be highly effective.

**8. Please describe your firm's Asset Liability Modeling (ALM) capabilities and related experience. Describe your interaction with client's actuary in this regard.**

Innovest will partner with your actuary to review asset/liability studies and ensure the results align with a recommended asset allocation. The most important step in the investment management process is to analyze the three variables that determine the ultimate cost of a pension plan: plan design, asset allocation, and actuarial assumptions and methods. Innovest works in conjunction with you and the plan's actuary to balance the impact of various combinations of benefit levels, asset allocation, and actuarial assumptions on the plan's funded status. This involves conducting an analysis of the current investment activities, reviewing the actuarial and accounting assumptions regarding contributions and disbursements, often multiple scenarios, and reviewing legal or legislative constraints concerning plan investment activities. Because asset allocation determines more than 90% of portfolio return variability, it is critical to coordinate portfolio design with expected plan liabilities.

## **E. INVESTMENT MANAGER SELECTION**

**1. What is the procedure and criteria you will follow in the selection of new investment managers? And how long might the process take from start to finish?**

Innovest's specific asset manager evaluation process focuses on selecting managers to represent investment styles within the various asset classes. Managers must have characteristics that are in line

with the benchmark and processes that segment the investable universe appropriately relative to the benchmark to be selected. Selecting managers that approximate the style of the benchmark is crucial to ensuring the integrity of the asset allocation during portfolio construction. This approach is based on industry studies that indicate that asset allocation is the most important determinant of portfolio performance. After defining the appropriate universes of style-specific managers, we endeavor to select managers that can outperform the appropriate benchmark and peer group on a risk-adjusted basis over time.

Asset manager products and strategies are identified through our years of experience, through publications, database screening, and research. We analyze and identify unique strategies and opportunities and integrate our distinctive risk management process to find investment products with a sustainable edge.

Innovest utilizes extensive quantitative and qualitative criteria in the evaluation and selection of asset managers. We have a set of principles in our investment product due diligence process, and we have outlined certain issues that we believe are important in evaluating asset management firms. Please note that there are always exceptions to each of the criteria set forth below; these are not hard and fast rules, but rather preferences, all else being equal.

#### **Asset Manager Selection**

- **Ownership.** We prefer privately held firms to public firms because public firms must serve two sets of constituents, their investors, and their shareholders, which may result in conflicts.
- **Ownership Distribution.** We prefer widespread, meaningful equity stakes among investment professionals. This helps ensure team stability and may positively impact the alignment of interests with clients.
- **Team Depth.** We prefer deep, experienced teams. We believe even the stars within the money management world require good teams around them.
- **Business Focus.** We prefer firms that are focused exclusively on asset management as opposed to investment banks, insurance companies, commercial banks, or other diversified financial institutions. It has been our experience that most quality products come from firms that are focused on asset management.
- **Strategy Focus.** We prefer firms that have a core competency and stick to it. When firms try to offer products in every category, often they have a lot of bad products; no firm is excellent at every strategy.
- **Research Focus.** We prefer firms that approach research without focusing on benchmarks. For example, the analysts that cover technology cover the full market-cap spectrum as opposed to having a small-cap tech analyst, a mid-cap tech analyst, and a large-cap tech analyst, which we believe puts them in a better position to understand what is going on in technology. Market cap and benchmark weightings are utilized in implementation.
- **Performance.** We evaluate past investment performance by reviewing the historic results and portfolio attribution. Particular attention is given to risk, consistency, style drift, and sector bets.

- **Turnover.** It has been our experience that better performing, and more consistent products/strategies exhibit lower turnover. We believe this may differentiate true investing, where fundamental analysis pays off, and market timing/trading strategies, which are less consistent and of course, are more costly do not pay off.
- **Capacity.** We prefer to invest with firms that have demonstrated a willingness to close products to new investors before asset growth negatively impacts performance.
- **Compensation.** We prefer firms that apply a significant weighting to long-term, risk-adjusted performance when compensating investment professionals, as opposed to those compensation schemes that emphasize beating the index each year.
- **Asset Manager Investment.** While the information is often difficult to obtain, we prefer investment products where the asset manager has a significant amount of his/her own money invested.

We strive to be agile but not reckless, and maintaining thorough, thoughtful due diligence ensures that we are equipped to evaluate investment managers for inclusion in portfolios in a timely way. This entire process can take between one week and six weeks depending on the complexity and number of new managers that are being sought.

**2. How many firms do you track for manager search purposes? How many managers are typically included in final presentations from the total search data base?**

We track approximately 500 firms for and have fewer high conviction managers for search purposes. Typically, two to three asset managers from a given asset class are included in final presentations from the total search data base.

**3. Do the consultants assigned to our account actually interface with prospective managers? Is due diligence performed for all managers offices? If so, please explain your due diligence process. How are consultants apprised with respect to developments about managers?**

**Yes.** Our vertically integrated and rigorous selection process ensures that both consultants and analysts are actively involved in evaluating asset managers. All consultants participate in this process. In addition, we conduct ongoing operational due diligence on all managers as part of our comprehensive evaluation framework.

Innovest holds more than 300 face-to-face meetings yearly with asset managers sourced from research, referrals, or other avenues. We prioritize on-site due diligence visits, unlike some Wall Street entities, believing them crucial for evaluating unregulated alternative investments. These visits provide first-hand insight into a firm's culture, which is essential for success. Face-to-face discussions enable thorough assessments of operational capabilities, management, ownership, personnel, and organizational aspects, which aren't as effective in scripted calls. While technology has its place, we emphasize the irreplaceable value of in-person interactions.

**Due Diligence Process**

Innovest's robust Due Diligence Team reviews the quarterly performance of all asset managers to identify any strategies that underperformed their appropriate benchmark and/or peers during the

quarter. Each manager's performance is then analyzed using attribution techniques to determine why performance trailed the benchmark. We also regularly request portfolio strategy allocations and attribution from managers. If performance concerns arise or if the portfolio is taking on excessive risk, we will clearly communicate our findings with our clients in the form of an intra-quarter memo. In addition to summarizing any noteworthy findings, our memos articulate an overall opinion and any recommended course of action that the client should take.

Occurrence	Action
Daily	We review trades and reconcile accounts. Asset manager due diligence meetings are held on-site as much as possible.
Weekly	Innovest's Investment Committee, Due Diligence, or Capital Markets teams meet to review asset managers, client portfolios, and the financial markets. Special attention is reserved for managers with qualitative issues.
Monthly	We conduct quantitative analysis to identify outlier asset managers, both positive and negative, for comprehensive evaluation.
Quarterly	Portfolio attribution is conducted to evaluate performance and changes in qualitative criteria. Custom reports are developed for each client. Client meetings are conducted to review portfolio performance, asset managers, and policy.
Ongoing	Due diligence meetings are conducted on-site, and asset manager review documentation is created. Capital market assumptions are determined after thoughtful analysis.

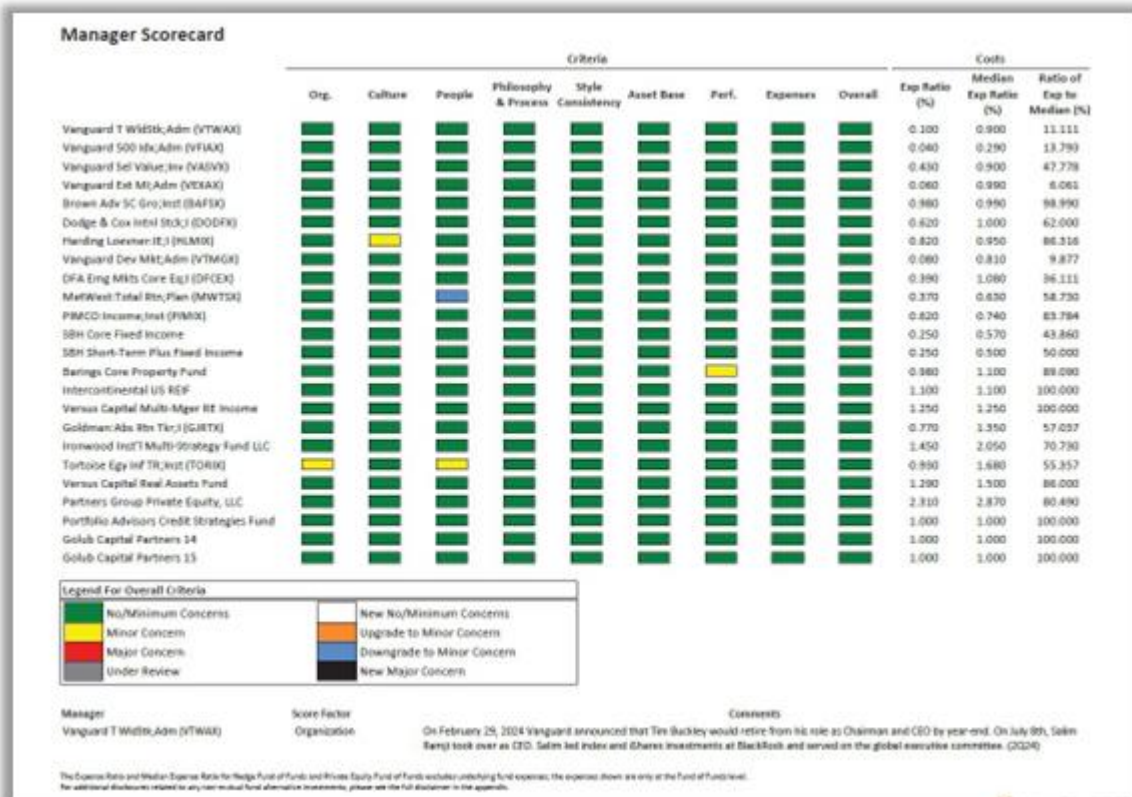
Every quarter, we generate concise narratives detailing the performance of asset managers ranking in the bottom quartile. These narratives serve as formal internal documentation, providing insights into the reasons behind the underperformance. This approach ensures diligent monitoring of underperforming managers. Consistent or unexplained underperformance over several quarters can prompt a formal review, potential adjustments in product scoring, and even termination.

#### Ranking and Rating Asset Managers

Our investment product rating system provides our clients with an executive summary of the issues we believe are important in evaluating asset management firms. Quarterly, we rate each product in our client's portfolio by giving them a green, yellow, or red rating indicating there are no concerns,

minor concerns, or major concerns surrounding that asset manager. For any manager who has minor or major concerns, we provide commentary and advice as to whether the fund should potentially be replaced. In addition, we will provide clients with formal written recommendations intra-quarter if these types of issues should be considered immediately. Formal reporting of this ongoing evaluation takes place with the client each quarter.

Please see a sample Asset Manager Scorecard below:



Formal reporting of this ongoing evaluation takes place with the client each quarter. Recommendations are made in writing either through our quarterly reporting process or intra-quarter if necessary.

#### 4. What computer systems do you utilize to help in your manager screening? Which are purchased and which are proprietary?

Innovest utilizes several quantitative tools to help with asset manager screening. A brief description of the software our analysts use is below:

**InvestmentMetrics, LLC–Performance Attribution & Reporting Information System PARis:** PARis is a fully integrated investment analytics platform that delivers performance measurement, risk attribution, and customized reports in one system. It includes a built-in global asset manager database

comprising nearly 6,000+ institutional separate accounts/composites, commingled funds, and 23,000+ U.S. mutual funds. It provides comparative data on 100+ peer universes.

**Morningstar Advisor Workstation:** Morningstar is the primary source for insight and commentary on mutual funds. Morningstar supplies quantitative and qualitative due diligence and investment style analysis on more than 10,000 mutual funds.

**MPI:** MPI is designed to assist with determining optimal asset allocation strategies and understanding the trade-off between investment risk and return.

**Orion:** Orion is a leading integrated portfolio accounting platform. The program aggregates all portfolio accounting data daily, providing robust client reporting options at any time.

**5. Do you monitor your success in selecting managers? Explain how you measure the level of success of existing managers. Please be specific.**

**Yes.** Current asset managers are evaluated quarterly, at a minimum. A manager's performance is compared against an appropriate benchmark, as determined by our Investment Committee, and against a peer group of similar funds. During this process, we also evaluate the risk of the manager relative to the benchmark. We expect our managers to outperform their benchmark and peers over the long term while taking on a reasonable level of risk. If a manager's returns deviate significantly from what would be expected, our research team runs attribution reports that break down the sources of a manager's returns at the sector level and individual holdings level. Additionally, our team typically schedules a call with the manager for further insight. Qualitatively, we look for changes in the manager's team, process, or strategy to inform investment results.

*For additional information on how we measure the level of success in our existing managers, please see our response to E3 beginning on page 23.*

**6. What criteria is used to recommend termination of a manager?**

We formally review the performance of all asset managers on an ongoing basis. Multiple quarters of unexplainable underperformance can trigger a formal review and change in product scoring. Generally, our procedures for the inclusion of an investment fund to the Watch List and the removal of an investment fund from the portfolio will include the following steps:

- The Board shall be briefed by Innovest at least annually regarding all funds and advised at each quarterly meeting of any fund not currently fulfilling the minimum requirements and Watch List measures as documented in your Investment Portfolio Statement (IPS).
- Any investment fund that fails to comply with one or more of the Watch List measures will be placed on the Watch List and shall be reevaluated in the following quarter.
- A fund may remain on watch status until the Board decides to take further action. At the request of the Board, Innovest will create and present a Watch List Report. The Watch List Report shall address the outstanding concerns for the strategy and a recommendation on what action to take. The Board will then determine whether the investment fund shall be removed from the portfolio frozen to new investments or remain on the Watch List.

We believe that occasional periods of negative performance generally do not provide sufficient reason to terminate a fund. However, poor risk-adjusted performance over a variety of time horizons is a stronger signal, particularly if that performance occurs during periods in which the fund's strategy should perform well. The best inferences are based on a variety of time periods, adjustments for risk, representative performance, and context.

In the event an asset manager needs to be replaced, we create custom search books, per asset class. Both qualitative and quantitative details derived from our extensive research process are included in these books along with our recommendations for each search.

*Please see Section 6 for a Sample Asset Manager Search Book.*

**7. Do you believe that when a manager is not performing that the consultant who presented this manager also be held accountable? If so, how?**

Yes. As a fiduciary to the plan, we believe that process, not hindsight is the relevant standard. Courts in fiduciary breach cases have consistently stated that the fiduciary does not need to be “right” on every decision, but that the decision-making process is what will determine fiduciary liability. Compliance with the prudent investor rule is determined considering the facts and circumstances existing at the time of a fiduciary’s decision or action and not by hindsight.



“Your investments are not working out because your hindsight is 20/20 and your foresight is 20/400.”

We believe that occasional periods of negative performance generally do not warrant heightened accountability measures on their own. However, consistently poor risk-adjusted performance across multiple time horizons calls for greater accountability, especially when it occurs during periods in which the fund’s strategy should be expected to perform well. Meaningful evaluations of accountability should consider performance over various time periods, adjust for risk, and take the broader context into account.

If an investment fund is not performing, we follow the Watch List process as explained in question E6 above starting on page 27. In addition, our Due Diligence team reviews the quarterly performance of all asset managers and indicates any concerns on the Asset Manager Scorecard that is included in every quarterly performance report. Ultimately, we know that we are judged on performance, but our history has shown that by following a disciplined process, performance will follow.

## F. PERFORMANCE EVALUATION

**1. Specifically describe your performance evaluation system and the philosophy behind it. Is your system proprietary or did you obtain it from another supplier? Can you report gross of fees and net of fees?**

Innovest provides customized quarterly portfolio reporting. Our state-of-the-art, custom reports will not only reflect both short- and long-term past performance but will also be a tool for future decision-making.

Innovest utilizes sophisticated performance measurement capabilities to provide a comprehensive and informative evaluation of investment options on an ongoing basis. The organization and content of our performance measurement report will enable you to determine "why" performance results were achieved. Innovest's investment performance monitoring consists of two overlapping sequential procedures: performance measurement and performance evaluation.

**Performance measurement** consists of evaluating an asset manager's time-weighted rates of return, characteristics, and sector commitments. This information is compared to both market indices and managers of similar styles. Peer group comparisons are essential to gauge the performance of any manager.

**Performance evaluation** consists of a top-down approach to the factors that contributed to the returns and identifying adjustments that periodically become necessary to maintain performance and manage risk.

Our detailed quarterly reports feature in-depth analysis of each asset manager, capital markets research, investment performance data, a summary of the investment policy statement, and a synopsis report card of current managers in the portfolio. We also showcase performance against similar universes to provide comparative insights. These reports clarify overall portfolio performance and, most importantly, explain the reasons behind the performance. They serve as valuable guides for future decision-making. Your performance report will help you:

- Analyze the current macro-economic environment and returns of asset classes and sub-asset classes
- Review the Investment Policy Statement, re-examine strategic allocations, and review securities guidelines
- Review the stated investment strategies of each of the asset managers in the portfolio
- Compare the performance of asset managers with those of others following the same strategy or style
- Compare the risk-adjusted performance of asset managers
- Evaluate the performance of asset managers against benchmarks and security guidelines in the investment policy statement
- Evaluate the performance of the total portfolio versus the custom benchmark, CPI+ benchmark, and appropriate risk-equivalent benchmark such as a 70% ACWI/30% Barclays Agg benchmark

*Please see Section 7 for a Sample Quarterly Client Performance Report.*

Innovest can report gross of fees and net of fees. We typically show client performance net of fees according to industry best practices. Asset management fees, custodial fees, trading expenses, and ADR fees (if applicable) are deducted from the net of fees calculation.

## **2. How soon following the end of a reporting period can you have copies of evaluation reports to us? How frequently do you recommend performance evaluation reviews?**

Quarterly performance reports are available 20 days after the last day of the quarter. As previously stated, we conduct performance evaluation reviews quarterly.

**3. Provide samples of your standard reports. How much variation is available from your standard report?**

We provide highly customizable performance reports tailored to meet the specific requirements of each client. Clients have significant input in both the content and format of their investment performance evaluation reports, ensuring a collaborative process that addresses individual needs and preferences. Our reporting capabilities are not based on standardized templates; instead, we customize every aspect of our reports, offering both concise and comprehensive options according to client preferences.

*Please see Section 7 for a Sample Client Quarterly Performance Report.*

**4. Please explain size, composition, and source of your performance measurement database. What indices are used for relative comparisons? If you do not maintain databases, whose database do you use? Describe and illustrate any special indices constructed by your firm.**

Innovest leverages both proprietary systems and subscription-based platforms—including InvestmentMetrics PARis, Morningstar, Litman Gregory, and Investworks—to support our research and reporting processes. Our internal databases store key information such as commentary, due diligence, contacts, and meeting notes, while external platforms provide access to performance data on thousands of investment strategies for effective screening and comparison.

Our reporting system integrates with InvestmentMetrics for portfolio monitoring and includes a proprietary scoring model that evaluates investment strategies based on factors such as Organization, People, Philosophy, Performance, and Expenses. We maintain a comprehensive database of more than 16,000 investment products—including mutual funds, separate accounts, and hedge funds—spanning both traditional and alternative asset classes. This database has been actively maintained and regularly updated since 2010.

Commonly used indices in our reporting include the S&P 500 Index, S&P Completion Index, Russell 2000 Index, MSCI EAFE (Net) Index, and Bloomberg Global Aggregate Index.

*For a complete list of the indices we use, please see Section 5.*

**5. Please describe, in detail, the optimal role that your firm would like to take in manager presentations to the Board. What other services are provided, such as custodian search.**

In manager presentations to the Board, our optimal role is to provide comprehensive support, including preparing and presenting manager search books, evaluating existing and potential asset managers, and offering recommendations based on rigorous due diligence. We facilitate the presentation process, ensuring that all relevant information is clearly communicated to the Board and that questions are addressed thoroughly.

In addition to supporting asset manager presentations, we provide a range of other services, including conducting custodian searches for our clients. We maintain a list of custodian banks and prioritize

those with whom we have established strong relationships to ensure exceptional client service and competitive pricing. Our evaluation process for custodians is extensive and intensive, considering factors such as experience, service team structure, data security, website functionality, fees, and compatibility with portfolio accounting software.

We also assist with all aspects of portfolio management, including investing deposits, processing withdrawals, submitting trades, and preparing all necessary paperwork for client signature. Our Client Service Team coordinates all trading and portfolio requests, reducing the administrative burden on your staff.

- 6. Please provide 1 year, 3 year, 5 year and 10 year performance results on an annualized basis for a minimum of 5 public employee retirement system clients. If possible, these clients should include Michigan public employee plans. The performance results should be based upon the period in which you served as the investment consultant and include, at a minimum, total fund performance on an annualized basis as of December 31, 2024, with a comparison against the appropriate policy index. Said performance results may also include a breakdown of fund performance by asset class with the appropriate benchmark index and peer group rankings. Please identify each client by the size of its total plan assets, its asset allocation and the state in which it is located. You may also provide any appropriate commentary explaining over/under performance and your role in the investment process.**

*Please see Section 8 for a Table of Returns for five Innovest clients.*

- 7. How does your firm report on a portfolio's risk position?**

Asset manager decisions (fund) are evaluated quantitatively and qualitatively. From a quantitative standpoint, all managers are compared to a benchmark and peer group universe. For an actively managed strategy, we look at risk-adjusted returns, up-market capture, down-market capture along with other metrics such as historical draw down. We compare managers with respect to both a stated benchmark (e.g., S&P 500 for large-cap equity managers) and their peers. Performance is obviously important, but we need to be just as cognizant of the risk they are incurring to earn those returns and consider style integrity, and compliance to policy restrictions. For fixed income managers we do similar comparisons but also incorporate both credit quality and duration measures into our due diligence. For alternatives such as hedge funds, we look at several quantitative factors such as beta and correlation to various markets.

Total portfolio performance is evaluated relative to a custom benchmark based on the portfolio allocation. This tells us the value add based on manager selection. We also compare the portfolio to a risk equivalent static benchmark (i.e., 60/40, etc.). This tells us the value based on asset allocation decisions. We compare the total portfolio to peers in a purchased database for peer ranking. Finally, we compare the portfolio relative to a goal (actuarial or CPI+ goal). This ultimately tells us about our success in meeting the specific client's investment objective. Our intent through our detailed and

thorough reporting is to provide transparent information which will assist our clients in making thoughtful decisions.

Our rigorous capital markets process, conducted annually by Innovest's Investment Committee and Capital Markets Group, forms the basis for developing risk, return, and correlation assumptions based on five-year projections. Experience has shown that a five-year to 10-year investment horizon is the most appropriate time unit for modeling simulations, even when the actual investment time horizon is substantially longer. We utilize all available asset classes, from the traditional (e.g., domestic stocks and bonds) to non-traditional (e.g., hedge funds and private equity), gathering input from internal and external sources.

## G. OTHER SERVICES

### 1. Does your firm provide consulting services for Defined Contribution/Deferred Compensation Plans?

**Yes.** Innovest is a trailblazer, innovator, and nationally acclaimed retirement plan consulting firm for all types of defined contribution and deferred compensation plans. We specialize in working with public plans. Our team holds extensive expertise in retirement program design, compliance, investment research, vendor management, vendor consolidation, and education design and delivery. This expertise ensures visible enhancements across all levels of your plan.

Our firm has been honored with numerous industry awards, recognizing our contributions in the retirement plan arena. Notably, in 2024 and 2016, two of our clients received the prestigious Eddy Award from Pensions & Investments for the custom participant communications campaigns that Innovest created. Additionally, we were recognized as the Retirement Plan Team of the Year by *PLANSPONSOR* in 2014.

## H. INSURANCE

### 1. Describe the various types of insurance and indemnification provided to protect clients of service(s) proposed, including (Be sure to include specific dollar coverages):

Innovest carries Errors and Omissions Insurance through Nationwide. We carry a \$5,000,000 limit of liability for each loss and \$5,000,00 in aggregate. Innovest carries \$5,000,000 in Directors & Officers Liability. We carry \$5,000,000 for Employment Practices Liability. In addition to these coverages, we carry \$1,000,000 in Fiduciary Liability. Innovest carries \$1,000,000 in Business Owner's Policy (BOP) Excess liability through Hartford. In addition, Innovest carries \$500,000 in Crime/ERISA insurance through Travelers for any loss arising out of criminal acts such as robbery, burglary, and other forms of theft either internal or external.

## I. OTHER ISSUES/MISCELLANEOUS

### 1. Is your company a member of MAPERS? What other affiliations does your company maintain to keep apprised of unique issues and developments affecting public employee retirement systems?

**Yes.** Innovest is a member of MAPERS.

As an example of our commitment to the public plan market, Innovest helped establish a nonprofit organization, the Colorado Public Plan Coalition (CPPC), which provides education and networking opportunities for administrators of Colorado public plans and powerful advocacy for public employee benefit plans. Innovest and our professionals have been directly involved in CPPC for more than 30 years. Innovest has been a longtime contributor and volunteer to the educational programs, delivering presentations on plan benchmarking, investments, fiduciary responsibility, litigation, and participant communication, among others.

Innovest professionals are also members of the National Association of Government Defined Contribution Administrators (NAGDCA); an organization made up of public deferred compensation/defined contribution plan administrators from across the nation. Many Innovest clients regularly attend this conference, and Innovest is a frequent sponsor and speaker.

We also have consultants that are members of The Western Pension & Benefits Council (WP&BC), and GFOA (Government Finance Officers), among others. These affiliations keep us apprised of unique issues and developments affecting public employee retirement systems.

One of your consultants, Kyli, is a member of WiPN, a network dedicated to empowering women in the retirement industry.

- 2. Please provide all complaints against your firm received by the Securities and Exchange Commission and the National Association of Securities Dealers. Has your firm been involved in litigation within the last five years or is there any pending litigation arising out of your performance? If your answer is yes, explain fully.**

**None.** There have been no complaints received by the Securities and Exchange Commission or by the National Association of Securities Dealers against Innovest. Innovest has **never** been involved in actual or pending litigation arising out of our performance.

- 3. Has your firm been investigated by any state or federal regulatory or law enforcement agency in the last ten years? If yes, please describe in detail the substance and results of each such investigation.**

**No.** Innovest has **never** been investigated by any state or federal regulatory or law enforcement agency.

- 4. Has your organization been a party to any lawsuit, including suits involving misfeasance or professional negligence, within the last ten years? If so, please describe the substance and results of each suit.**

**No.** Innovest has **never** been party to any lawsuit, including suits involving misfeasance or professional negligence.

- 5. Are you registered with the SEC or a state securities regulator as an investment adviser? If so, have you provided all the disclosures required under those laws?**

**Yes.** Innovest is an independent registered investment advisor under the Investment Adviser Act of 1940 and is registered with the Securities and Exchange Commission. Our CRD Number is 106110. We have provided all the disclosures required under those laws.

**6. Do you or a related company have relationships with money managers that you recommend, consider for recommendation, or otherwise mention to the plan for our consideration? If so, describe those relationships?**

**No.** Innovest does not have relationships with money managers that we recommend, consider for recommendation, or otherwise mention to the plan for consideration. Because of Innovest's independence and objectivity, we have no conflicts of interest in providing investment advisory services. We do not sell or recommend proprietary products. We take pride in providing our clients with completely independent, unbiased advice. We believe our advice cannot build a true partnership with our clients if we accept revenue from asset managers, products, or retirement plan vendors. Innovest receives compensation on a fee-only basis, with 100% of all revenues directly paid by clients for services rendered, with no other explicit or implicit fees. We are not owned by a benefits firm or an investment bank with ulterior revenue motives.

**7. Do you or a related company receive any payments from money managers you recommend, consider for recommendation, or otherwise mention to the plan for our consideration? If so, what is the extent of these payments in relation to your other income (revenue)?**

**No.** Innovest will not receive any payments from money managers we recommend, consider for recommendation, or otherwise mention to the plan for consideration. Innovest will not accrue any benefit from brokerage commissions, finder's fees, or the splitting of money management fees. As a pure investment management consulting firm, we do not sell investment products. Therefore, we have no boundaries in our pursuit of innovative solutions for our clients. Innovest has no related companies.

**8. Do you have any policies or procedures to address conflicts of interest or to prevent these payments or relationships from being considered when you provide advice to your clients?**

**Yes.** Innovest has policies and procedures to address conflicts of interest. As a pure investment management consulting organization, we do not build or sell investment products or receive revenue from asset managers that we might recommend or consider when we provide advice to our clients.

**9. If you allow plans to pay your consulting fees using the plan's brokerage commissions, do you monitor the amount of commissions paid and alert plans when consulting fees have been paid in full? If not, how can a plan make sure it does not over-pay its consulting fees?**

**No.** We do not allow plans to pay our consulting fees using the plan's brokerage commissions. We believe this is a conflict of interest and we want all trades to be made with the best execution.

**10. If you allow plans to pay your consulting fees using the plan's brokerage commissions, what steps do you take to ensure that the plan receives best execution for its securities trades?**

N/A

**11. Do you have any arrangements with broker-dealers under which you or a related company will benefit if money managers place trades for their clients with such broker-dealers?**

**No.** Innovest does not have any arrangements with broker-dealers under which our firm will benefit if money managers place trades for our clients with such broker-dealers. Innovest has no related companies.

**12. Will you acknowledge in writing that you have a fiduciary obligation as an investment adviser to the plan while providing the consulting services we are seeking?**

**Yes.** Innovest will acknowledge in writing that we have a fiduciary obligation as an investment adviser to the plan while providing the consulting services you are seeking.

**13. Do you consider yourself a fiduciary under ERISA with respect to the recommendations you provide the plan?**

**Yes.** We consider ourselves a fiduciary under ERISA with respect to the recommendations we will provide to the plan.

**14. What percentage of your plan clients utilize money managers, investment funds, brokerage services or other service providers from whom you receive fees?**

**0%.** Innovest receives compensation on a fee-only basis, with 100% of all revenues directly paid by clients for services rendered, with no other explicit or implicit fees. We are not owned by a benefits firm or an investment bank with ulterior revenue motives.

## **J. OTHER REQUIREMENTS**

**Pre-Qualification:** Inviting a proposal does not assume a "pre-qualification" of any proposer.

**Confirmed.** We understand that inviting a proposal does not assume a "pre-qualification" of any proposer.

**Proposal Preparation Cost:** The Board will not be liable for any costs incurred in preparation of proposals.

**Confirmed.** We understand that the Board will not be liable for any costs incurred in preparation of proposals.

**Certification as to "Request for Proposal" Content:** By submitting a proposal, the proposer certifies that he/she has fully read and understands the "Request for Proposal" and has full knowledge of the scope, nature, quantity, and quality of work

to be performed. Unless specified to the contrary, submitting a proposal will be interpreted as agreement to all provisions in and requirements of the RFP.

**Confirmed.** We understand that by submitting a proposal, we certify that we have fully read and understand the "Request for Proposal" and have full knowledge of the scope, nature, quantity, and quality of work to be performed.

**Additional Information and Instruction:** The Proposer shall furnish such additional information as the Board may reasonably require. The Board reserves the right to investigate the qualifications of all proposers as it deems appropriate.

**Confirmed.** We will provide additional information that the Board may reasonably require. We acknowledge that the Board reserves the right to investigate the qualifications of all proposers as it deems appropriate.

**Negotiations:** The Board reserves the right to conduct pre-contract negotiations with any or all proposers.

**Confirmed.** We understand that the Board reserves the right to conduct pre-contract negotiations with any or all proposers.

**Proposal Rejection:** The Board reserves the right to reject any or all proposals, the right in its sole discretion to accept the proposal which it considers most favorable to the Board's interest, and the right to waive minor irregularities in the procedures. The Board further reserves the right to seek new proposals when such a procedure is in the System's best interest.

**Confirmed.** We understand that The Board reserves the right to reject any or all proposals and the right in its sole discretion, to accept the proposal which it considers most favorable to the Board's interest, and the right to waive minor irregularities in the procedures. The Board further reserves the right to seek new proposals when such a procedure is in the System's best interest.

**Proposals Binding for 6 Months:** All proposals submitted shall be binding for 6 months following the above due date for receipt of proposals to allow for evaluation and award of contract.

**Confirmed.** We understand that all proposals submitted shall be binding for six months following the above due date for receipt of proposals to allow for evaluation and award of contract.

**Late Proposals:** Proposals received by the Board after the time specified may be subject to disqualification in the Board's sole discretion.

**Confirmed.** We understand that all proposals submitted after the time specified may be subject to disqualification in the Board's sole discretion.

**Completeness:** All information required by the Request for Proposal must be supplied. Failure to submit a complete proposal may result in the disqualification of your proposal.

**Confirmed.** We understand that all information required by the Request for Proposal must be supplied. We acknowledge that failure to submit a complete proposal may result in the disqualification of our proposal.

**Public Information:** Please note that by participating in the RFP process, the proposer acknowledges and agrees that materials and information submitted are not confidential and may be available to the public.

**Confirmed.** We understand that that by participating in the RFP process, we acknowledge and agree that materials and information submitted are not confidential and may be available to the public.

## Disclaimer

Innovest is an independent Registered Investment Adviser registered with the Securities and Exchange Commission.

All statistics in this document are as of July 2025. Please note: Neither rankings nor recognition by unaffiliated rating services, publications, media, or other organizations, nor the achievement of any professional designation, certification, degree, or license, membership in any professional organization, or any amount of prior experience or success, should be construed by a client or prospective client as a guarantee that the client will experience certain levels or results if the investment professional or the investment professional's firm is engaged, or continues to be engaged, to provide investment advisory services. A fee was not paid by either the investment professional or investment professional's firm to receive the ranking. No ranking or recognition should be construed as an endorsement by any past or current client of the investment professional or the investment professional's firm. To see the specific criteria and methodology for each award, please visit our website: [www.innovestinc.com](http://www.innovestinc.com).

Unless explicitly stated to the contrary, the material herein is not intended to provide and should not be relied on for investment advice. Under no circumstances does Innovest ever provide tax, accounting, or legal advice.

If applicable, the statistical analysis contained herein was prepared by Innovest Portfolio Solutions LLC and may contain data provided by Investment Metrics, LLC, Thomson Reuters Lipper, Morningstar, Inc., and other sources. These materials may also include information, returns, and valuations that were compiled, computed, or created by Standard & Poor's Financial Services LLC, MSCI Inc., and other sources. These materials and the information that they contain are intended solely for the use of the intended recipient(s). They may not be reproduced or distributed without written consent.

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Innovest may have provided a current client's historical performance as an example of the results of Innovest's services for that client. The performance included is not a composite and is not representative of the performance of all or any group of Innovest clients. This client's accounts were selected for inclusion based on the length of the client relationship, each account's historical performance, the accounts' risk and investing characteristics, and the client's reporting requirements. As a result, the portfolio included may have better return or risk characteristics than other clients' portfolios. The portfolio included may also have different risk and return objectives than you do. The included performance is net of Innovest's fees and underlying manager fees.

Past performance is no guarantee of future results. The market and economic environment in which the included performance was achieved should not be expected to be typical or repeated in the future. The investments included in this portfolio were not insured by the FDIC and involve investment risks, including the possible loss of all principal.

If applicable, returns included in these materials may represent mutual funds share classes or vehicles other than those in which clients are or may be invested. Typically, any differences are the result of efforts to present the longest track record of the investment strategies.

Assumptions, opinions, and forecasts herein constitute Innovest's judgment and are subject to change without notice. Past performance is no guarantee of future results. The investment products discussed are not insured by the FDIC and involve investment risk including the possible loss of all principal.

## Section 3

Innovest's Response to Attachment B - Fees

## Attachment B - Fees

1. Please indicate your fee schedule for investment performance analysis services, asset allocation, investment policy, manager search, custodial search, custodial services, etc. If your fee schedule is based on soft dollars, please also quote each service by type on a hard dollar basis. How often do your fees increase and what is the average percentage of the increase? Would your firm agree to a multi-year fee terms and if so, for how many years?

Innovest works on a fee-only basis. We bill quarterly and in advance. We offer a 30-day cancellation clause. This flat fee covers all services listed below.

**Annual Retainer Advisory Services Fee for the Defined Benefit Plan .....\$85,000\***

**Annual Retainer Advisory Services Fee for the VEBA Plan .....\$45,000\***

*\*Annual CPI adjustment beginning in year 2*

### Strategic Planning

- **Fiduciary and Investment Education.** Innovest offers formal education workshops on a variety of investment and fiduciary-related topics as needed. We believe it is important to educate our clients about fiduciary-related matters as well as capital markets and investments. Through regular meetings, our Newsletter - *InnoViews*, articles, and research papers, Innovest introduces its clients to the latest investment trends, policy insights, and analytical techniques.
- **Goals and Objectives.** On an ongoing basis, Innovest will review and offer guidance on your goals and objectives. Factors including return expectations, downside risk tolerance, liquidity, time frames, spending rate and policy, and portfolio additions are all important factors in determining objectives. We quantify both projected risk and returns, as well as determine appropriate benchmarks.
- **Asset Allocation.** Innovest evaluates capital market expectations on an ongoing basis. The portfolio's asset allocation is designed and reviewed continuously, and a formal report is prepared annually.
- **Investment Policy Statement Development.** Each year Innovest reviews the Investment Policy Statement and offers suggested revisions, including possible changes in policy, expectations, circumstances, asset allocation, asset manager implementation, etc.

### Implementation

- **Investment Product/Asset Manager Evaluation and Searches.** Innovest performs extensive, ongoing reviews of the portfolio's investment products and asset managers relative to the objectives and alternatives in the market. Innovest conducts manager searches on an as-needed basis.
- **Negotiate Pricing.** Because of Innovest's influence in the market, we have significant leverage with asset managers. Innovest will negotiate the pricing of investment products on your behalf.

**Monitoring**

- **Monitoring Investment Products.** Investment products are monitored on an ongoing basis, with important updates and scoring changes documented on the Asset Manager Score Card. Our monitoring is not a simple regurgitation of performance versus benchmarks but an intense analysis to understand "why" performance happened, good or bad. This enables us to make better forward-looking decisions about products and managers.
- **Performance Measurement Reports.** Innovest will meet with you every quarter. During these meetings, we will provide you with quarterly performance reports that are tailored to include a detailed analysis of each asset manager as well as the total portfolio.
- **Portfolio Services.** As the coordinator of your investment program, we will be your single contact in the day-to-day operation of your investments. We will coordinate issues between custody, money management, accountants, auditors, and any other vendors. Our role is to keep client portfolios running smoothly, eliminate overlap and redundancy, and keep operational headaches at a minimum.

Innovest's base fee is guaranteed for the first three years of the engagement, with annual adjustments for inflation beginning in the second year based on the Consumer Price Index (CPI). This approach helps us avoid the need for broader fee increases. We are also open to discussing an extended fee arrangement if desired.

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

**No.** We do not charge separately for travel expenses. Travel expenses are included in Innovest's flat consulting fee.

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

There are no additional fees that would be owed to Innovest. However, additional fees to third parties may include:

**Investment Management Fees** - Depending upon the asset allocation selected for the underlying asset manager fees will typically range from 0.40% - 0.60%.

**Custody Fees** – Typically range from 0.01% to 0.03%.

**4. Do you offer payment by cash on a pro rata quarterly basis billed in arrears?**

**Yes.**

**5. If services are also quoted on a soft dollar basis, what is the cost in cents per share? What is the commission to cash conversion ratio? Also, how do you report to us on commissions received?**

Innovest does not accept soft dollar arrangements or any other type of compensation from asset managers for our recommendations. We believe this is a conflict of interest.

**6. What percentage of typical equity managers trades do you feel should be used for client directed brokerage purposes?**

**Not applicable.**

**7. Do you give credit for commissions received above services? What type of recapture is used for those excess commissions?**

**Not applicable.**

**Disclaimer**

Innovest is an independent Registered Investment Adviser registered with the Securities and Exchange Commission.

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## Section 8

Table of Returns for Five Innovest Clients

Client	Performance %								Inception Date	State	Assets	Asset Allocation*
	Last Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 years	Since Client Inception				
Northern Colorado Water DB Total Fund	-1.22	9.42	9.42	2.82	6.50	6.10		5.79	4/1/2011	CO	\$ 30,317,398.27	51/33/16
Northern CO Water Custom Benchmark	-1.89	9.13	9.13	2.55	5.55	5.48		5.71				
Northern CO Water CPI+ Target Return	1.02	6.75	6.75	7.37	7.10	6.53		5.97				
City of Englewood DB Total Fund	-0.87	10.44	10.44	3.61	7.17	6.39	6.56	6.18	10/1/2005	CO	\$ 41,512,794.29	52/18/30
City of Englewood DB Custom Benchmark	-1.43	11.03	11.03	4.01	7.10	6.59	6.41	6.24				
6% Return	1.47	6.00	6.00	6.00	6.00	6.00	6.00	6.00				
City of Longmont Total Fund	-1.54	11.48	11.48	3.28	7.39	6.72	6.96	6.68	7/1/2001	CO	\$ 225,883,302.03	59/19/22
Longmont Custom Benchmark	-1.79	10.23	10.23	3.14	6.76	6.43	6.68	6.26				
CPI + Longmont DB	1.20	7.52	7.52	8.91	8.88	8.25	7.64	7.08				
Bismarck Fire Fighters Total Fund	-0.59	11.44	11.44	4.69	7.92	7.09	6.95	7.48	1/1/1998	ND	\$ 42,627,138.63	54/12/34
Bismarck Custom Benchmark	-1.30	11.48	11.48	3.93	7.53	6.90	6.84	6.23				
Boulder Police DB Total Fund	-1.55	8.22	8.22	2.62	5.46	5.94	6.28	6.81	10/1/2003	CO	\$ 18,141,045.82	51/27/22
Boulder Police DB Custom Benchmark	-1.77	9.42	9.42	3.15	5.93	5.77	6.11	6.64				

\*Asset Allocation Key - First number is equities, second number is fixed income, and third number is alternatives