DISCUSSION SHEET

Employees' Retirement Fund
Board of Trustees Meeting

February 11, 2020

Issue: Investment Practices & Performance Review

Attachments: None

Discussion: The purpose of this review is for an independent firm to evaluate the appropriateness, adequacy, and effectiveness of ERF's investment practices and performance and to make recommendations for improving the retirement system's investment policies, procedures, and practices in compliance with Texas Government Code Section 802.109.

The RFP was opened to the public on December 17, 2019 and by the deadline of January 10, 2020, responses from five firms who specialize in this type of work were received.

ERF Staff reviewed the submitted RFPs and recommended firm selection based on the following criteria: organizational strength and staff; ability to complete the work within the necessary timetable; and price. ERF Staff met with three firms for due diligence and recommends engaging Milliman to complete the review based on the aforementioned firm evaluation criteria.

Next Steps: With Board approval, Staff will work to complete the review within the next 8-12 weeks. Work needs to be completed by no later than May 31st, 2020.

Recommendation: Suggested motion for the approval is as follows: Move to approve Milliman to complete the Investment Practices & Performance Review on behalf of ERF and authorize the Board Chair to sign the engagement contract. Approval subject to legal review.