



NEPC, LLC

DEFINED BENEFIT/TAFT-HARTLEY

Complete Investment Consulting Solutions for your Taft-Hartley plan

With the various factors impacting today's Taft-Hartley benefit plans, knowledge, experience and innovative solutions are more crucial than ever in tailoring a program to assist each client in meeting their unique needs and goals. Our seasoned Taft-Hartley team members provide a philosophy that is focused on risk management, asset allocation, liability awareness and total return. Our client-focused, forward thinking approach, along with our manager research capabilities and ability to work with more sophisticated investment concepts offers your Taft-Hartley plan the proactive guidance to achieve your plan's objectives.

An Employee-Owned, Research-Driven Innovator

NEPC, LLC is one of the nation's largest independent, full service investment consulting firms, serving over 300 retainer clients with total assets over \$900 billion. Headquartered in Boston, Massachusetts and with offices throughout the United States, we're known for incisive expertise and exceptional service. NEPC has used its research capabilities to encourage the development of Taft-Hartley sensitive products. And results: NEPC's collective client base has outperformed national averages¹ in most years since our founding in 1986.

Developing Sound Investment Policy

We listen closely to gain a full understanding of your goals and objectives, and of your spending needs, to build a well conceived Investment Policy Statement—the cornerstone of a successful program. The IPS outlines the plan's goals and objectives; identifies future liability needs; defines asset classes and investment managers; sets a target asset allocation; lays out investment guidelines and restrictions; specifies the roles of plan fiduciaries; and spells out reporting requirements. We also develop guidelines for each of the plan's investment managers.

Asset Allocation Informed by Multidimensional Risk Analysis

Our approach goes beyond traditional tools such as mean-variance analysis, to encompass spending requirements, risk budgeting, and scenario testing. By capturing and quantifying a diverse set of risks, this approach rectifies the shortcomings of the traditional efficient-frontier approach. We partner with you to devise a flexible asset allocation plan that is both strategic and opportunistic in achieving your plan's goals. NEPC has particular expertise in liability-driven asset allocation. Through "what-if" analyses, we are able to balance the projected real growth of plan assets and liabilities.



NEPC's comprehensive solutions for Taft-Hartley plans are tailored to their unique needs and fiduciary obligations.

Our services:

- Investment policy development
- Asset allocation, based on assets and liability structure
- Searches for investment managers, custodians, and securities lending agents
- Transition management
- Expertise across the full universe of investment opportunities
- Traditional equity, fixed income, and mixed-asset-class vehicles
- Alternative investments such as private equity, real estate, real assets, hedge funds, and other hedging strategies
- Socially responsible investing
- Performance analysis including security-level detail (where available) and attribution
- Due diligence/compliance monitoring
- Development of risk controls
- Transactions cost analysis
- Proxy voting advice
- Trustee and staff education
- Discretionary outsourcing

Expertise in Manager Searches for Traditional and Alternative Investments

Soup to nuts, we handle the process of seeking out, identifying, and engaging the best investment managers for your program in traditional asset classes as well as alternatives such as private equity, hedge funds, real estate and real assets. We meet with thousands of firms each year to continuously update our proprietary search database and tap major public databases to identify best-in-class managers. Our extensive network of personal contacts built up over years is also brought to bear in evaluating providers.

Rigorous and Ongoing Scrutiny of Investment Managers and Market Trends

Our Due Diligence Committees for traditional and alternative assets, led by senior NEPC partners, set firm-wide policy on which investment firms are to be included in our searches, ensuring a consistent process for all our clients. The Committees also assess manager performance and evaluate new products and technology across all asset classes. Our Asset Allocation Committee reviews economic and capital market trends to identify strategic and tactical asset allocation opportunities.

Industry-Leading Data Sources and Technology for Measuring Performance

Our performance reports are designed to help you make informed investment decisions. Customized by client, the quarterly reports compare the plan's actual asset allocation to targets, and provide relevant peer and market comparisons to benchmark performance of the total plan, each asset class, and each manager. Sources of under- and outperformance and the risk levels inherent in each manager's process are identified. The reports also compare current fund allocations to policy targets, and portfolio holdings to guidelines, helping to ensure compliance.

Continuing Education for Clients

NEPC's client education programs are designed to help your trustees and staff better understand the major drivers of return and risk for the plan. We share our ground-breaking research on major investment topics and fiduciary issues with you – on site, online, and at client conferences hosted by NEPC. A categorized listing of white papers and position pieces authored by our professionals is available on our website, www.nepc.com.

We are an invaluable partner to Taft-Hartley sponsors, providing proactive advice and guidance for every aspect of plan management. NEPC facilitated the creation of several Taft-Hartley sensitive products.

YOU DEMAND MORE. So do we.SM

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¹ The national average is represented by the median fund in the \$3.0 trillion InvestorForce Universe (or the ICC Universe through 2011). Past performance is no guarantee of future results.



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