

## Non-Discretionary Investment Consulting Agreement

**THIS INVESTMENT CONSULTING AGREEMENT** (the “ICA” and together with together with any Statement of Work(s) (“SOW”) issued hereunder, the “Agreement”) between **Segal Advisors, Inc. (doing business as Segal Marco Advisors)** a New York corporation, with its principal place of business at 333 West 34<sup>th</sup> Street, New York, NY 10001-2402 (“Segal Marco”), and the **City of Cartersville**, with its principal place of business at 1 North Erwin Street, Cartersville, Georgia 30120, United States (“Client”) is made effective as of **December 1, 2022** (the “Effective Date”). Segal and Client will also be referred to herein individually as a “Party” and jointly as the “Parties”.

### 1. **Services, Authority and Service Limitations.**

- (a) **Services.** Segal Marco will provide the investment consulting services described more fully in the SOW annexed hereto as Attachment 1 (the “Consulting Services”). Segal Marco may from time to time, at the Client’s request and at a price agreed upon by both Parties, provide additional services (“Additional Services” and, together with the Consulting Services, the “Services”). Additional Services and the fees for such Additional Services will be set forth in an additional SOW. The execution of an SOW, specifically referencing this Agreement, is an agreement by and between the Segal Marco and Client. Each SOW is subject to and incorporates the terms and conditions of this ICA by reference. For the avoidance of doubt, this Agreement does not cover actuarial, consulting and other services provided by The Segal Group Inc.’s other operating subsidiaries (d/b/a Segal and Segal Benz).
- (b) **Registration and Standard of Care.** Segal Marco is and will, throughout the term of this Agreement, continue to be registered with the Securities and Exchange Commission (“SEC”) as an investment adviser pursuant to the Investment Advisers Act of 1940 (the “Advisers Act”). In providing the Services, Segal Marco will act in accordance with the fiduciary obligations required under the Advisers Act and will discharge its duties with the care and loyalty of a reputable investment adviser and in accordance with its obligations as a registered investment adviser.
- (c) **No Discretionary Authority.** Segal Marco’s authority is limited to providing the recommendations and advice set forth in the SOW. Segal Marco does not have, and will not exercise, any authority to control or manage Client’s assets. Client retains absolute discretion over, and responsibility for, deciding what, if any, action to take in connection with Segal Marco’s recommendations or advice.
- (d) **Service Limitations.** Segal Marco does not and will not: (i) have any responsibility with respect to any securities lending program in which Client take part; (ii) provide advice or counsel with regards to individual securities within Client’s portfolio; or (iii) vote proxies or exercise shareholder rights on Client’s

behalf. Further, Segal Marco will not review or advise on any private fund co-investment<sup>1</sup> opportunities, regardless of whether or not Segal Marco recommended or provides ongoing advice or advisory services with respect to the private fund investment.

Client retains absolute discretion over, and responsibility for, deciding what, if any, action to take in connection with the foregoing.

- (e) **Custody of Assets.** Segal Marco will not take possession or physical custody of Client's assets. Client is responsible for retaining a bank or other entity (e.g. broker, insurance company) to maintain Client's assets (the "Custodian"). The Custodian is solely responsible for the safekeeping of the cash, securities and other property and for the consummation and settlement of all purchases, sales, deliveries and investments. While Segal Marco may assist Client in preparing instructions for Custodian, Segal Marco will not effectuate any buy/sell orders on Client's behalf.
- (f) **No Tax or Legal Advice.** Segal Marco does not provide legal advice and will not negotiate or prepare any legal documents for or on Client's behalf. While Segal Marco may identify investment options that take into account Client's tax status, Segal Marco does not provide tax advice and is not responsible for any taxes that result from Client's investments. Prior to entering into any agreements with investment managers, Client should consult its own legal counsel and/or tax advisors as appropriate. Further Segal Marco will not: (i) act for Client in any legal proceedings, (including bankruptcies or class actions) related to Client's investments; (ii) file any governmental reports, returns or filings on Client's behalf; or (iii) prepare any accounting or actuarial documents for Client. Segal Marco will, however, respond to any reasonable requests for information in connection with the foregoing. From time-to-time, Segal Marco may assist Client to negotiate fees with investment managers and/or be able to obtain fee discounts that benefit all clients.
- (g) **Third Party Services.** Client acknowledges that it is solely responsible for paying other fees and expenses to third parties incurred in connection with the management and administration of its investments and for any taxes owed as a result of any investment activity. These include, but are not limited to, legal fees, accounting/tax preparation fees, custodial fees and investment management fees.

## 2. Term and Termination

- (a) **Term.** The term of this Agreement will commence on Effective Date and continue in effect until **November 30, 2025** (the "Initial Term"), unless earlier

<sup>1</sup> A "private fund co-investment" refers to an opportunity to make a minority investment directly into a portfolio company (or non-diversified investment) alongside a fund manager (and its other clients) in a private market transaction, spanning the range of private equity, real estate, hard asset classes, but most often focused on buyouts, recapitalizations and growth capital transactions.

terminated by a Party in accordance with Section 2(b) of this Agreement. Upon expiration of the Initial Term, this Agreement will automatically renew for successive additional terms of twelve (12) months each unless Client or Segal Marco gives written notice to the other at least sixty (60) days before the expiration of the then current term. If the Parties fail to agree upon a mutually acceptable renegotiation of the terms of this Agreement prior to the expiration of the Initial Term or any subsequent term, then this Agreement shall continue in full force and effect and all terms and conditions contained herein shall continue to apply and be enforceable for any subsequent term. Notwithstanding the foregoing, should any SOW for Additional Services entered into during the Initial Term or any subsequent term require that Additional Services be performed beyond the expiration or termination of this IMA, the terms of that SOW shall remain in full force and effect until the expiration or termination of such SOW.

- (b) **Termination.** Either Party may terminate this MCA or any SOW upon at least sixty (60) calendar days' written notice, or such shorter period as may be required by applicable law or as set forth in an SOW.
- (c) **Termination upon election of new City Council.** Within thirty (30) days of the seating of a new City Council, said Council shall have the right to terminate this agreement pursuant to the requirements in 2(b) above.

### Fees and Expenses

- 3. (a) **Fees.** Segal Marco's fee for the Services will be set forth in the applicable SOW. Unless the Parties mutually agree in writing otherwise, at the conclusion of the Initial Term and annually thereafter, Segal Marco's fee for any ongoing retainer services will automatically increase by 2.5%.
- (b) **Expenses.** Unless otherwise expressly set forth in a SOW, Client will reimburse Segal Marco for any reasonable expenses incurred in connection with providing the Services. Additionally, if Segal Marco is requested or compelled to participate in actual or anticipated disputes, investigations, arbitrations, litigation or other dispute resolution proceedings (each an "Action") as a result of its relationship with Client, Client will reimburse Segal Marco for all reasonable costs (including, but not limited to, Segal Marco time spent and costs incurred in connection with responding to subpoenas and other document requests) and fees, including attorney's fees, that Segal Marco incurs, during or after the term of this Agreement, except where Segal Marco is itself a party to such Action.
- (c) **Invoices and Payment.** Unless otherwise set forth in the applicable SOW, Segal Marco will bill fixed annual retainer fees quarterly in advance and hourly-time charges monthly in arrears. Segal Marco will bill for permitted expenses incurred as soon as practicable. All sums are payable in United States dollars. All undisputed invoices (or portions thereof) will be paid by Client within thirty (30) days of receipt by electronic funds transfer (e.g. ACH or wire) in immediately available funds, as specified in the applicable invoice. If, within forty-five (45) days of the invoice date, Segal Marco has not received payment for any

undisputed fees or expenses payable hereunder, Segal Marco will assess a late payment fee equal to the lower of (i) the highest interest rate permitted under applicable law or (ii) 2% interest per month, until such fees and/or expenses are paid in full. Upon termination of this Agreement, Segal Marco will be compensated for all work performed up until the date of Termination.

#### **Information, Reliance and Ownership.**

4. (a) **Client Information.** Client agrees to supply to Segal Marco (either directly or through Client's agents and representatives) on a timely basis all of the documentation and information reasonably needed by Segal Marco to perform the Services ("Client Information"). Segal Marco will have the right to reasonably rely on the accuracy and completeness of Client Information and will have no responsibility for independently verifying or checking Client Information for accuracy or completeness. Specifically, Segal Marco may rely on the transaction statements and market value of Client's assets as reported by the Client's custodian and/or Client's investment managers. Client acknowledges that Segal Marco cannot and does not verify the reported value of assets. Client agrees that it will notify Segal Marco promptly upon gaining knowledge of any material change to the Client Information. Segal Marco acknowledges that Client Information is and shall remain the sole and exclusive property of Client.
- (b) **Third-Party Information.** Client acknowledges that, in providing the Services, Segal Marco will rely on information obtained by it from a wide variety of public and private sources ("Third Party Information"), including (by way of example and not as a limitation) commercially marketed databases and services; manager regulatory filings (e.g. Form ADV) and periodic responses to questionnaires. Client acknowledges that, although Segal Marco believes that Third Party Information is reliable, Segal Marco cannot verify or guarantee the accuracy or validity of Third Party Information. Further, Segal Marco cannot and does not guarantee that Third Party Information will be available on a uniform basis. Client acknowledges that Third Party Information may include material non-public ("insider") information and that Segal Marco is prohibited by law from disclosing or acting upon such insider information.
- (c) **Segal Marco Information.** Client acknowledges that, in providing the Services, Segal Marco will distribute or make available certain proprietary materials ("Segal Marco's Proprietary Information"), including, but not limited to Manager Research Reports, output from Segal Marco's investment manager database, software, know-how, techniques, methodologies and report formats. Except to the extent that they are or incorporate Segal Marco's Proprietary Information, all documents, data, and other tangible materials authored or prepared and delivered by Segal Marco to Client under the terms of this Agreement (collectively, the "Deliverables"), are the sole and exclusive property of Client, once paid for by Client. To the extent that Segal Marco's Proprietary Information is incorporated into such Deliverables, Client will have a perpetual, nonexclusive, worldwide, royalty-free license to use Segal Marco's Proprietary Information as part of the Deliverables internally and for their intended purposes. Segal Marco

will not have any responsibility or liability for use of any Deliverable in any manner other than for the intended purpose.

## 5. Confidentiality and Data Privacy.

- (a) **Confidential Information.** Confidential Information includes (i) Client Information; (ii) Segal Marco's Proprietary Information; and (iii) any other information clearly identified by a Party as confidential at the time of disclosure or that a reasonable person should understand to be confidential or proprietary in nature.

Confidential Information will not include information which: (i) is or becomes a part of the public domain through no fault of the receiving Party; (ii) was in the receiving Party's lawful possession prior to the disclosure; (iii) is disclosed by the disclosing Party without restriction on disclosure; (iv) is independently developed by the receiving Party without reliance on the disclosing Party's Confidential Information; (v) is required to enforce a Party's rights hereunder; or (vi) is required to be disclosed by a governmental authority or pursuant to a subpoena, provided that to the extent not prohibited by applicable law, the receiving Party gives the disclosing Party a reasonable opportunity to contest the disclosure and/or seek any available protections for the Confidential Information.

- (b) **Obligations Related to Confidential Information.** With respect to a disclosing Party's Confidential Information, the receiving Party agrees to:
- (i) Not use or disclose Confidential Information for any reason other than the reason it was disclosed or as otherwise permitted by this Agreement (the "Purpose"), without the express permission of the disclosing Party;
  - (ii) Not misappropriate or use Confidential Information in order to intentionally damage the disclosing Party's business or reputation or otherwise gain a competitive advantage over the disclosing Party;
  - (iii) Only disclose, or otherwise make available, Confidential Information to those of its affiliates, officers, employees and agents ("Representatives") who have a legitimate need to know the Confidential Information in furtherance of the Purpose and have been made aware of the obligations of this Agreement and their responsibility for complying with those obligations. The receiving Party acknowledges that it is fully responsible for a breach of this Agreement by its Representatives; and
  - (iv) Notify the disclosing Party promptly upon becoming aware of any unauthorized use, disclosure or release of Confidential Information of which it is aware.
- (c) **Cybersecurity.** Segal Marco maintains procedures, consistent with industry standards and as required by law, to ensure the security of all data maintained on Segal's information technology systems. In addition, Segal Marco maintains a



reasonable and appropriate business continuity/disaster recovery program. Segal Marco agrees to provide Client with any information Client reasonably requests related to Segal Marco's information security protocols and disaster recovery program, provided that such information will be treated by Client as Confidential Information and not disclosed to any third party without Segal Marco's consent.

## 6. Disclaimers.

- (a) **No Responsibility for Current Position.** Segal Marco shall have no responsibility for the selection of Client's investments and investment managers made prior to the Effective Date (the "Existing Investments") or the performance of the Existing Investments prior to the Effective Date. Further, to the extent that the Existing Investments do not grant Client liquidity rights, Segal Marco shall not have any responsibility with regard to the performance of such Existing Investments at any time.
- (b) **Past Performance Does Not Guarantee Future Performance.** Client understands that investments fluctuate in value and that the prior performance of an investment manager or investment is not necessarily indicative of such investment manager or investment's future results. Client further understands that the value of an investment when sold may be greater or lesser than the original cost and that Client is assuming the market risk of all investments. Segal Marco does not warrant or guarantee any level of performance by any investment or investment manager or that any investment will be profitable over time and, unless Segal Marco has breached its responsibilities under this Agreement, Segal Marco will not be liable for the conduct or investment performance of any investment manager or investment.
- (c) **Non-Exclusive Services/Other Clients.** Client understands that Segal Marco provides investment consulting and advisory services to other clients, including those who may have similar investment objectives to Client. Consistent with its fiduciary duties to all of its clients, Segal Marco may give different advice and/or take different actions in the performance of its duties for such other clients. Nothing in this Agreement will be deemed to impose on Segal Marco any obligation to advise the Client in the same manner as Segal Marco may advise any other client(s). Where an investment opportunity may be appropriate for one or more of its clients and such opportunity may be limited, Segal Marco seeks to allocate opportunities among clients with similar objectives, policies and strategies in a manner, in good faith, believed to be fair and equitable.

## 7. Liability and Indemnification.

- (a) **Force Majeure.** Neither Party will be in default or otherwise liable for any delay in or failure of its performance under this Agreement where such delay or failure arises by reason of any Act of God, act or failure to act by a governmental body,

the elements, strikes or labor disputes, global pandemic or other cause beyond the control of such Party.

- (b) **Remedies.** SEGAL MARCO WILL NOT BE LIABLE UNDER ANY LEGAL OR EQUITABLE THEORY, WHETHER IN CONTRACT OR IN TORT, FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OR COSTS (WHETHER OR NOT SEGAL MARCO HAS BEEN ADVISED OF OR COULD HAVE FORESEEN THE POSSIBILITY OF SUCH DAMAGES), OR FOR ANY LOST PROFITS, APPRECIATION, EARNINGS, OR SAVINGS, OR FOR ANY CLAIMS AGAINST CLIENT BY ANY OTHER PARTY.

EXCEPT FOR CLAIMS ARISING OUT OF GROSS NEGLIGENCE, WILLFUL MISCONDUCT, BAD FAITH, FRAUD, OR BREACHES OF THE OBLIGATIONS OF CONFIDENTIALITY AND DATA PRIVACY PURSUANT TO SECTION 5 THIS AGREEMENT, SEGAL MARCO'S LIABILITY FOR DIRECT DAMAGES INCURRED BY CLIENT WILL NOT EXCEED THE FEES PAID TO SEGAL MARCO DURING THE TERM OF THIS AGREEMENT.

NOTHING IN THIS SECTION WILL ACT TO RELIEVE SEGAL MARCO FROM ANY RESPONSIBILITY, LIABILITY OR DUTY WHICH SEGAL MARCO MAY NOT DISCLAIM UNDER APPLICABLE FEDERAL OR STATE LAWS, INCLUDING ERISA AND THE ADVISERS ACT.

- (c) **Indemnification.**

(i) *Indemnification by Segal Marco.* Segal Marco will indemnify and hold harmless the Client, its trustees, officers, directors and employees ("Client Indemnitees") from and against all losses, claims, damages, liabilities, costs and expenses (including reasonable attorneys' fees) that are finally determined to have resulted from Segal Marco's willful misconduct, gross negligence, bad faith, or Segal Marco's violation of applicable fiduciary duty in the performance of its obligations under this Agreement.

- (d) **Insurance.** Segal Marco is, and shall continue to be while performing Services, insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which Segal Marco is engaged, including, but not limited to, Professional Liability/Errors and Omissions insurance (which includes coverage for fiduciary acts), Employment Practices and Crime Insurance and Cyber Liability Insurance. A description and evidence of such insurance coverage shall be provided to Client upon request.

## 8. Regulatory and Other Disclosures.

- (a) **Form ADV.** As required by the Advisers Act, Segal Marco files a disclosure statement, Form ADV, with the SEC and maintains a brochure that contains all

information required by Form ADV, Part 2A. Client acknowledges receipt of the brochure and, if applicable, any brochure supplements (Form ADV, Part 2B), from Segal Marco before or at the time of entering into this Agreement.

Within 120 days of the end of each fiscal year, Segal Marco will deliver to the Client its current brochure, including a summary of material changes to the brochure from the previous year. Client consents to electronic delivery of Form ADV, Part 2 and all other documents required to be provided or disseminated by Segal Marco to Client under this Agreement or applicable law, rule or regulation.

- (b) Code of Ethics; Regulatory Policies and Procedures.** Segal Marco has adopted a written Code of Ethics and other policies and procedures designed to avoid violations of the Advisers Act. A copy of the Code of Ethics and other policies will be provided upon request.
- (c) Other Disclosure Obligations.** Segal Marco shall promptly notify Client in the event of any (i) change in Segal Marco's status a registered investment adviser, (ii) change in control of Segal Marco or in the primary professionals assigned to provide the Services, (iii) any actual, material adverse change in Segal Marco's financial condition, or (iv) any actual, material claim, investigation, audit, proceeding or litigation brought against Segal Marco or, to its knowledge, the Segal Marco Indemnitees, that Segal Marco reasonably believes, if proven true, could have a material impact on Segal Marco's ability to provide the Services.

## 9. Notices

Any notices or other communications hereunder or with respect to this Agreement will be in writing and will be given to the Parties at the addresses set forth below:

If to Client, to:

City of Cartersville  
1 North Erwin Street  
Cartersville, Georgia 30120  
United States  
Attention: Freddy Morgan  
fmorgan@cityofcartersville.org

If to Segal Marco, to:

Segal Marco Advisors  
333 West 34<sup>th</sup> Street  
New York, NY 10001  
Attention: General Counsel  
Contract\_Notice@segalmarco.com

Copy to:



Jeffrey C. Boucek  
jboucek@segalmarco.com

Notices will be deemed to have been received upon the earlier of actual receipt thereof or, with respect to delivery (a) by electronic mail, upon confirmation of receipt, whether telephonically or by electronic transmission; (b) by overnight courier or overnight express mail, the next business day following delivery to such overnight courier or the U.S. Postal Service; and (c) by registered or certified mail, the fifth day following such delivery to the U.S. Postal Service. Any Party may change its notice address or email address number by written notice to the other.

10. **Governing Law; Waiver of Jury Trial.** The Parties shall engage in reasonable and good faith discussions to resolve any dispute arising out of or relating to this Agreement. If the Parties are unable to agree between themselves, the Parties will submit the dispute to non-binding mediation in accordance with the Judicial Arbitration and Mediation Service ("JAMS") as a condition precedent to the commencement of any legal proceeding hereunder. Except to the extent superseded by federal law, the validity, interpretation, enforceability, and performance of this Agreement will be governed by the laws of the State of Georgia. Unless otherwise agreed by the Parties, any dispute, controversy or claim arising out of or to enforce the terms of this Agreement may be brought in the exclusive jurisdiction of the Superior Court of Bartow County, Georgia or in the United States District Court for the Northern District of Georgia, as appropriate. **THE PARTIES AGREE TO WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING ARISING OUT OF THIS AGREEMENT.**

11. **General**

- (a) **Entire Agreement; Modification of Agreement.** This ICA, along with the applicable SOW(s) constitutes the entire agreement between the Parties regarding the furnishing of the Services and supersedes all prior oral or written understandings between the parties. Neither party has relied on any promises, representations, or warranties except as expressly set forth in this Agreement. No modification or amendment hereto will be valid unless it is in writing and signed by the Parties.
- (b) **Severability and Waiver.** If any provision of this Agreement is found to be illegal or otherwise unenforceable, that provision will be severed and the remainder of this Agreement will remain in full force and effect. No consent to or waiver of any default hereunder will be effective unless in writing and no such consent or waiver will be construed as a consent to or waiver of any default in the future or of any other default hereunder.
- (c) **Assignment of the Agreement.** A Party may only assign this Agreement with the other Party's prior written consent, except that either party may assign this Agreement: (i) to any of its affiliates or subsidiaries (whether existing now or in the future); (ii) in connection with the transfer or sale of all or substantially all of its assets or business or business to which this Agreement relates or (iii) its merger or consolidation with another company. No assignment will discharge a

party from its obligations or duties under **Section 4 (Information and Ownership)**, **Section 5 (Confidentiality and Data Privacy)** and **Section 6 (Liability)** of this Agreement. This Agreement will be binding upon both Parties hereto, and their respective successors and assigns.

- (d) **No Third Party Beneficiaries.** This Agreement (and any amendment or addendum thereto) is made and entered into solely for the benefit and protection of the Parties hereto, their successors and permitted assigns, and does not confer any rights or privileges upon any third parties, including any participant or beneficiary of Client.
- (e) **Survival of Terms.** The provisions of **Section 4 (Information and Ownership)**, **Section 5 (Confidentiality and Data Privacy)**, **Section 6 (Liability)**, **Section 8 (Governing Law; Waiver of Jury Trial)** and **Section 9 (General)** will survive the termination of this Agreement.
- (f) **Subcontractors and Sub-advisers.** Client understands and agrees that Segal Marco may, from time to time, consult with or receive services from subcontractors in connection with providing the Services under this Agreement.
- (g) **References.** The Client consents to Segal Marco listing the Client as a reference and/or as a client in a list of representative clients in responses to requests for proposals.
- (h) **Non-Solicitation.** While this Agreement is in effect, and for eighteen (18) months thereafter, Client agrees to not directly solicit for employment any Segal Marco employees directly involved in providing in any Services or otherwise induce such individuals to terminate their relationship with Segal Marco. The preceding sentence will not prohibit Client from considering for employment any Segal Marco employee or former employee who (i) seeks employment with Client in response to a general advertisement by Client or (ii) is identified in the course of employment searches by an independent third party retained by Client (so long as the search is not directed toward Segal Marco's employees).
- (i) **Independent Contractors.** Nothing in this Agreement shall make Segal Marco and Client partners, joint venturers, or otherwise associated in or with the business of the other. Segal Marco is and shall always remain an independent contractor. Neither Party shall be liable for any debts, accounts, obligations, or other liabilities of the other Party, its agents, or employees. The Parties are not authorized to incur debts or obligations of any kind, on the part of or as agent for the other, except as may specifically be authorized in an SOW.
- (j) **Authority to Enter Agreement.**
  - (i) Segal Marco represents and warrants that: (A) it has all necessary power and authority to enter into this Agreement; (B) the person signing has been duly authorized to execute this Agreement on its behalf; (C) the execution and delivery of this Agreement and any action contemplated herein does not conflict with, or violate, any provision of law, rule or regulation, contract, deed of trust or other instrument to which it is a party

or otherwise bound; (D) this Agreement is a valid and binding contract enforceable against it; and (E) to its knowledge, it is in compliance with all applicable law and regulation related to its performance pursuant to the terms of this Agreement.

(ii) Client represents and warrants that: (A) it has all necessary power and authority to enter into this Agreement; (B) the person signing has been duly authorized to execute this Agreement on its behalf, (C) the execution and delivery of this Agreement and any action contemplated herein does not conflict with, or violate, any provision of law, rule or regulation, contract, deed of trust or other instrument to which it is a party or otherwise bound; (D) this Agreement is a valid and binding contract enforceable against it; and (E) to its knowledge, it is in compliance with all applicable law and regulation related to its performance pursuant to the terms of this Agreement.

(k) **Counterparts.** This Agreement may be executed in any number of counterparts using ink or electronic signatures, each of which will be deemed an original. Facsimile or other electronic copies (e.g., PDF) thereof will be deemed to be originals.

\* \* \* \* \*

*(Execution Page Follows)*

**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the Effective Date.

**SEGAL ADVISORS, INC.**

**City of Cartersville**

By:

By:

Name:

Name:

Title:

Title: Mayor

Date:

Date:

By:

Attest:

Name: Jeffrey C. Boucek

By:

Title:

Name:

Date:

Title: City Clerk

Date:

On the 17th day of November, 2022, this agreement was recommended by the City of Cartersville, Georgia Retirement Board for consideration for approval by the Mayor and City Council of the City of Cartersville.

Retirement Board: \_\_\_\_\_

Attachments:

Attachment 1 – Statement of Work – Investment Consulting Services

# Statement of Work

## Investment Consulting Services

**THIS STATEMENT OF WORK** (“SOW”), effective as of December 1, 2022 (the “Effective Date”), is entered into by the **City of Cartersville, Georgia** (“Client”) and **Segal Advisors, Inc., d/b/a Segal Marco Advisors** (for purposes of this SOW, “Segal Marco”) pursuant to the Investment Consulting Agreement dated as of December 1, 2022 entered into between the Parties as may be amended from time to time (the “ICA”), and shall be attached hereto and incorporated herein by reference. Unless otherwise defined herein, all capitalized terms used herein shall have the meanings ascribed to such terms in the ICA. In the event of a conflict between the specific provisions of this SOW and the provisions of the ICA, the provisions of this SOW shall control.

1. **Segal Marco Authority.** Segal Marco’s authority is limited to providing the recommendations and advice set forth in this SOW. Segal Marco does not have, and will not exercise, any authority to control or manage Client’s assets. Client retains absolute discretion over, and responsibility for, deciding what, if any, action to take in connection with Segal Marco’s recommendations or advice.
2. **Investment Consulting Services.**
  - (a) **Meetings** A representative of Segal Marco will attend regularly scheduled quarterly meetings.
  - (b) **Investment Objectives and Policies.** Segal Marco will assist Client in developing an appropriate plan for the investment of Client’s assets that is consistent with Client’s overall goals and objectives and memorialized in writing (the “Investment Policy Statement”). The Investment Policy Statement is based off a number of factors, including Client’s current investment program, cash flow requirements, anticipated future needs, return objectives, risk tolerance and time horizon. From time-to-time, Segal Marco will review and recommend changes to Client’s Investment Policy Statement.

In addition to reflecting Client’s overall philosophy and goals, the Investment Policy Statement will identify criteria for selection of investment managers and procedures (e.g. methodology and timing intervals) for monitoring investment performance, along with guidelines related to asset allocation (the “Asset Allocation Policy”) intended to produce an appropriate expected rate of return for a given level of risk (e.g. permitted asset classes, allocation targets for each permitted asset class and permissible investments within each asset class).

**Asset Allocation Policy.** We will assist the Client in the development of an asset allocation policy for the Plan, for incorporation in the Plan’s investment policy statement. This may include a review of the Plan’s current investment program, cash flow requirements, actuarial characteristics, and participant and



beneficiary demographics. We also may consider the return objectives, risk tolerance and time horizon of the Plan.

In developing a recommended asset allocation, we may apply our capital asset pricing model, which takes into account: (a) the Plan's current or assumed asset classes to be considered; (b) historical performance of the market index relative to each asset class; (c) estimated return and risk characteristics of each asset class; (d) correlation between the asset classes; and (e) limitations on each asset class that may be imposed by the Plan's investment policy guidelines. Based on data from an analysis of the current Plan and the inputs to this model, we develop an array of portfolios with various asset allocation mixes and recommend for the Client's consideration one or more asset allocation policies. A recommended asset allocation policy proposes the asset classes in which the assets of the Plan may be invested, the portfolio of the Plan's portfolio to be allocated to each asset class, and a range of investments within each asset class. A recommended asset allocation policy will be intended to produce an appropriate expected rate of return for a given level of risk.

As part of our monitoring, we will report periodically on the Plan's assets compared to the asset allocation policy approved by the Client, and we may recommend, as appropriate and in accordance with the Plan's investment policy statement, action to rebalance the Plan's portfolio. Client is required to take any actions necessary to implement its asset allocation policy and any rebalancing from time to time.

- (c) **Investment Performance Reporting.** Segal Marco will review, measure and evaluate the investment performance of Client's assets and provide a written performance report on a quarterly basis. In conducting our evaluations, Segal Marco will not review the performance of assets that are not under the control of an investment manager.

Regular reporting will calculate: (i) the rate of return<sup>2</sup> for each investment manager, for each asset class, and for the portfolio as a whole; (ii) the distribution of assets by investment manager and asset class, in terms of market value and percent of assets; and (iii) the return volatility<sup>3</sup> for each investment manager, for each asset class, and for the portfolio as whole.

The report will also evaluate the extent to which the Investment Policy Statement has been met and whether it has affected investment results. As part of this evaluation, Segal Marco will measure the value of assets against the approved

<sup>2</sup> Rate of Return (RoR) is the net gain or loss on an investment over a specified time period, expressed as a percentage of the investment's initial cost. Our calculation of RoR will be based on the market value and transaction statements provided by the Custodian and/or your investment managers. As noted in Section 4(b) of the Agreement, Segal Marco cannot verify or guarantee the accuracy or validity of the information provided by the Custodian and/or your investment managers.

<sup>3</sup> as measured by standard deviation (a statistical measure of variance from the mean), Segal Marco will compare the risk characteristics to relevant market indices and, for each investment manager, a universe of similar investment managers.

asset allocation policy and may recommend that Client rebalance the portfolio to meet Client's asset allocation policy.

- (d) Investment Manager Review.** Segal Marco will review and evaluate Client's investment managers and analyze each investment manager's capacity to effectively manage Client's assets. The review will be focused on an investment manager's performance, stated investment philosophy, investment style and the role it plays within the Investment Policy Statement and Asset Allocation Policy.

In reviewing performance, Segal Marco will compare a manager's investment results against relevant market indices, stated objectives and a universe of similar investment managers. Segal Marco will advise Client whenever, in our judgment, a manager's benchmark is not appropriate and recommend an alternative benchmark.

In reviewing investment philosophy and style, Segal Marco will review manager regulatory filings (e.g. Form ADV) and periodic responses to questionnaires. Segal Marco will analyze whether changes in organization structure, investment philosophy and process, professional staff and business practices impact the managers ability to effectively manage assets.

Segal Marco will also review each manager's trading practices, proxy voting guidelines, and investment management fees; however, review of these practices, guidelines and fees is limited to a review of the reasonableness of the stated practice. Segal Marco will not monitor or verify conformance with stated practices.

- (e) Investment Manager Search and Selection.** Based upon Segal Marco's review of performance and the investment managers, Segal Marco may recommend the addition, replacement or termination of one or more investment managers. If Client decides to make a change in its investment manager line-up, Segal Marco will identify appropriate investment managers for Client's consideration. Segal Marco will prepare a written report that provides a comparative analysis of the candidate investment managers. Segal Marco will then meet with Client to review the report and assist Client in selecting finalist candidates. Additionally, upon Client's request, Segal Marco can: participate in finalist interviews, assist in identifying a single candidate Segal Marco believes most suitable and assist in negotiating the business points of Client's agreement with the chosen candidate.

In identifying appropriate investment managers, Segal Marco's research team conducts due diligence reviews of candidate investment managers, including meetings with representatives of candidate firms, applying both qualitative and quantitative factors, and performing proprietary analysis. Segal Marco maintains individual profiles of management firms and subscribe to various independent

services, which provide computerized data with regard to management firms' activities, resources and results.

- (f) **General Consulting.** Finally, Segal Marco is available for general consultation on investment-related topics. Segal Marco will notify Client if any request is beyond the scope of our engagement, expertise or qualifications. If Segal Marco anticipates that a request will involve an expenditure of significant time or out-of-pocket expenses, Segal Marco will advise Client of the estimated cost and proceed only with Client's consent.

### 3. Fees and Expenses.

- (a) **Professional Fees.** Segal Marco's annual fee for the Investment Management Services is \$72,000.00 for the Initial Term. Effective December 1, 2025 and annually thereafter Segal Marco's fee will automatically increase by 2.5%.
- (b) **Expenses.** Segal Marco's fee is inclusive of all anticipated expenses in connection with the Investment Management Services. In the event that Segal Marco incurs unusual or unexpected expenses in the course of providing the Investment Management Services, Segal Marco will bill such expenses without markup.
- (c) **Billing.** Notwithstanding Section 3(c) of the IMA, Segal will bill its fees quarterly in advance.
- (d) **Service and Fee Modifications.**
  - (i) In the event that the scope of work under this SOW materially changes, the Parties will execute a mutually agreed upon change order setting forth any changes to the services, deliverables, and/or fees under this SOW.
  - (ii) Additionally, if as a result of circumstances beyond Segal Marco's control, Segal is required to spend significantly more time than anticipated in performing the Investment Management Services, Segal Marco will inform Client and may bill for such services on a time charge basis.

- 4. **Term.** Unless otherwise agreed by the Parties in writing, this SOW shall run concurrently with the ICA.

- 5. **Agreement.** The signatures below indicate agreement by the Parties to the terms and conditions set forth in this SOW. This SOW may be executed in any number of counterparts using ink or electronic signatures, each of which will be deemed an original. Facsimile or other electronic copies (e.g., PDF) thereof will be deemed to be originals. This signed SOW constitutes authorization for Segal Marco to begin provision of the Services described herein and Segal Marco agrees to commence such Services promptly upon receipt of a full-executed copy of this SOW.

\* \* \* \* \*

*Execution Page Follows*

**IN WITNESS WHEREOF**, the Parties have executed this SOW as of the Effective Date.

**SEGAL ADVISORS, INC.**

**City of Cartersville**

By:

Name:

Title:

Date:

By:

Name: Jeffrey C. Boucek

Title:

Date:

By:

Name:

Title: Mayor

Date:

Attest:

By:

Name:

Title: City Clerk

Date:

On the 17th day of November, 2022, this agreement was recommended by the City of Cartersville, Georgia Retirement Board for consideration for approval by the Mayor and City Council of the City of Cartersville.

Retirement Board: \_\_\_\_\_