

## Evaluation of Responses to Pension RFP

Clay Township received two responses to the Pension RFP. Staff conducted an evaluation of the responses and presented their evaluation to the Board of Supervisors for review and discussion at their July 10, 2023, meeting. Based on the review of the evaluation and discussion the Board awarded the RFP to Conrad Siegel. Below is a summary of the basis of the award.

### Summary of the Basis of the Award

The final decision was based on the following responses factors:

Responder's history and organization (25% weighting)

Investment policy and philosophy (25% weighting)

Actuarial Services (25% weighting)

Fees (25% weighting)

Responder's history and organization

R.J. Hall founded in 1985 is a closely held corporation owned by Robert J. Hall, specializing in PA municipal pension plans including pension administration, audit, actuarial and benefit services. They consult on 100+ municipal pension plans, with over \$290 million assets under management. The organization has had zero turnover in the last 5 years. They provide a broad sampling of reasonably priced highly rated investment accounts, utilizing VOYA.

Conrad Siegel was founded in 1963 by Conrad Siegel and remains a consultant-owned corporation, owned in substantially equal shares by 19 of the consultants who are active in the business and work directly with their clients. They provide investment advisory services to 41 public pension plans with over \$335 million in assets and provide actuarial consulting to nearly 300 public pension plans. Throughout the history of the firm, they have not lost a partner other than due to retirement or untimely death. They have provided independent consulting services for over 55 years. Putting their clients' interests first, choosing partnership over profit. Their clients include both private and public sector organizations providing pension services, health and welfare benefits and OPEB plans and investment management. Conrad Siegel Investment Advisors was formed in 2002 and has been providing investment advisory services for municipal pension funds since its inception.

## Investment policy and philosophy

R.J. Hall provides a broad sampling of reasonably priced and highly rated investment accounts, with access to hundreds of Morningstar approved accounts to choose from. Performance is monitored each quarter through VOYA's due diligence process which is a quantitative and qualitative review of each account in the contract. YOYA acts as custodian for the assets in the plan.

Conrad Siegel's investment principles include fee conscious investing, broad diversification, investing in investment-grade fixed income, equity index funds, and publicly traded mutual funds and exchange traded funds (ETF's). Conrad Siegel is not a not market-timer. They employ a long-term approach that is based on utilizing broadly diversified, low-cost mutual funds. Their approach is hands-on to develop an allocation that looks to meet long-term goals and the risk/return of the client. Conrad Siegel partners with Charles Schwab to provide a full range of custodial services including a diversified menu of funds and custody of assets.

## Actuarial Services

R.J. Hall has provided actuarial services for their Defined Contribution clients since 1985. They are extremely knowledgeable with all aspects of Act 205 and Act 600. They also value their relationship with the Auditor General's office and their Department of Municipal Pensions and stay up to date on the ever-changing landscape of Municipal Pensions.

Conrad Siegel has been providing actuarial services for municipal entities in Pennsylvania for over 60 years. They provide actuarial service to the Northern Lancaster County Regional Police Department of which Clay Township is a founding member. Their founder Conrad Siegel was instrumental in the drafting of Act 205 of 1984 and they are well-versed and able to help with even the most complex provisions, fiscal obligations, and reporting requirements under Act 600 and Act 205. Their close working relationship with the Auditor General's office has been invaluable when working to get a resolution quickly for their clients when the need arises.

## Fees

R.J. Hall total annual fees would be 1.79% or \$6,442.00. This represents the total “all in” fee. They do not receive any compensation directly from the investment product providers. They do not charge for phone calls or emails; other optional services can be provided at a fee.

Conrad Siegel total annual fees would be 1.25% or \$4,481.00. This represents the total “all in” fees. They receive no third-party commission, nor do they have any exclusive affiliation with any financial institution, broker/dealer, money manager, or mutual fund company. They do partner with Charles Schwab to provide custodial services but receive no compensation from Charles Schwab. They do not anticipate any additional charges for their services but would disclose additional fees to the client before commencing work.

## Summary

R.J. Hall and Conrad Siegel appear to be similarly qualified in the categories of History and Organization, Investment Policy and Philosophy, and Actuarial Services.

Conrad Siegel’s fees are 30% less than R.J. Hall. Clay Township has had a 10+ year relationship with Conrad Siegel.

Based on the cost and the prior positive relationship with Conrad Siegel staff recommended and the Board agreed to award the RFP to Conrad Siegel.

# True Partners

## Committed to **YOUR SUCCESS**



## PROPOSAL FOR

### Clay Township Retirement Plan Services

Clay Township Municipal Pension Plan  
June 14, 2023



 **Conrad Siegel**

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June 14, 2023

Bruce R. Leisey  
Township Manager  
Clay Township  
870 Durlach Road  
Stevens, PA 17578

Dear Bruce:

Thank you for your consideration of Conrad Siegel's proposal to provide investment advisory and management services for Clay Township. David Lytle, FSA, CFA, MAAA would be providing investment counseling services and would be your contact for the custodial services provided by Charles Schwab. In addition to being a CFA charter holder, Dave's FSA designation was earned via the Quantitative Finance and Investment track. At Conrad Siegel, your primary contacts are not relationship managers or salespeople – they are true subject matter experts with designations in their respective fields of expertise. We strive to build a strong partner relationship with each client. As a part of your team, we are committed to making recommendations to help take the Plan from where it is today to where you want it to be.

Conrad Siegel believes we can add value to the Township's Pension System by providing complete consulting services to your Pension Plans, which provides value in the following key areas:

**Effective, Responsive Communication** – We speak in a way that is personable and inviting, encouraging questions and collaboration. We recognize it is more than a matter of simply providing timely and accurate reports. We strive to keep you well-informed with concise communications that focus on what you need to know, why you need to know it, and what you can do about it.

**Independent, Transparent Consulting Model** – Since its inception, Conrad Siegel has been an independent consulting firm that operates on a fee-for-service basis. We do not offer proprietary funds and are independent of insurance and fund companies. We receive no indirect compensation and help you document all investment-related expenses. Our objective and transparent approach to fees allows us to recommend what is truly best for our clients.

**Shared Fiduciary Liability** – We are independent consultants and do not offer proprietary funds. This allows us to be a co-fiduciary and share in the investment responsibility. We believe this is just the right thing to do for our clients and positions us to work exclusively with your interests in mind.



conradsiegel.com



**Our Promise** – Our reputation has been built on over 55 years of personalized, independent service. Putting our clients' interests first is important to us. You can be assured that our advice, recommendations, and services will be delivered with this in mind. Our promise is simple. Conrad Siegel will deliver the services that the Township needs – expertly, cost-effectively and on time and will treat your challenges and concerns like our own. We will strive to exceed your expectations.

Thank you again for your consideration of our proposal, and we would welcome the opportunity to discuss the details of how Conrad Siegel would partner with Clay Township.

With best regards,

Yours sincerely,

A handwritten signature in blue ink that reads "DAVID LYTLE".

David P. Lytle, FSA, CFA, MAAA  
Chief Investment Officer

A handwritten signature in blue ink that reads "John D. Vargo".

John D. Vargo, FSA, EA, MAAA  
Partner & Consulting Actuary

DPL:JDV:dkw  
Encl.



## **Responder's History, Ownership, and Organization**



## **1. Briefly describe the organization, the year it was founded, location of its headquarters and other offices, years in business, its ownership structure, and business focus.**

Conrad Siegel was founded in 1963 by Conrad M. Siegel. Connie established the firm based on the principles of direct access to the owners of the firm, fee-for-service work, no hidden costs, and solid and independent advice. Today, Conrad Siegel remains a consultant-owned corporation, owned in substantially equal shares by 19 of the consultants who are active in the business and work directly with our clients. Our firm has grown into one of the largest employee benefit firms of the Mid-Atlantic Region.



Our reputation has been built on providing personalized, independent consulting services for over 55 years. Putting our clients' interests first is important to us. You can be assured that our advice, recommendations and services will be delivered with this in mind. At Conrad Siegel, choosing partnership over profit has rewarded us with the indelible relationships that allow us to truly partner with over 1,500 clients on a firm-wide basis. Our clients include both private and public sector organizations providing services for defined benefit pension plans, defined contribution retirement plans, health and welfare benefits, other post-employment benefit (OPEB) plans and investment management.

Our wholly-owned, SEC registered, Conrad Siegel Investment Advisors, Inc. was formed in 2002 and has been providing investment advisory services for municipal pension funds since its inception. Over the past 21 years, our firm has enjoyed phenomenal growth with current assets under management exceeding \$7.6 billion as of March 31, 2023. We attribute this growth to our independence, our clients' belief in our investment philosophy and approach, and the quality of services we provide.

Our organizational structure consists of the following:

- Board of Directors
- Management Committee
- Five lines of business committees covering investment advisory services, defined benefit plans, defined contribution plans, health and welfare plans, and other post-employment benefit plans
- Three support committees covering human resources, compliance, and information technology
- Over 100 employees on a firm wide basis

While this structure provides a distinct and clear division of responsibilities, we do not operate in autonomous silos. In fact, all areas of our firm work closely with one another. The synergy that exists throughout our organization is one of the firm's greatest strengths. This synergy is also a key factor in our ability to provide quality services in a cohesive manner to help our clients achieve their strategic human resource and financial goals.

Conrad Siegel maintains two offices, one in Harrisburg, PA and one in Lancaster, PA. All of the work for this engagement will be performed out of our Harrisburg office.



501 Corporate Circle  
Harrisburg, PA 17110



201 Granite Run Drive  
Lancaster, PA 17601

## **2. What is the total asset base and number of municipal pension funds on which you consult?**

Conrad Siegel started providing investment advisory services in 2002 and gained our first PA municipal defined benefit pension plan in 2004. Our firm began in 1963 with actuarial consulting on qualified defined benefit pension plans. We also have a long history working with Pennsylvania governmental pension plans which date back to the early 1980s when our founder, Connie Siegel, was hired as a consultant for the Commonwealth of Pennsylvania leading up to the creation of the Public Employees Retirement Commission. He was also instrumental in the drafting of Act 205 of 1984, which governs the way Pennsylvania municipal pension plans are funded and administered. In addition, our close working relationship with the Auditor General's office has been invaluable when working to get a resolution quickly for our clients when the need arises. Conrad Siegel provides investment advisory services to 41 public pension plans as of March 31, 2023, with over \$335 million in assets. We provide actuarial consulting to nearly 300 public pension plans. All of our public pension plan investment advisory clients are located in Pennsylvania.

## **3. Identify the consultants and other key staff who would be involved in serving our account. Provide brief resumes of these individuals.**

One of the keys to your satisfaction with the services provided by our firm will be the qualified professionals with whom you interact directly on a regular basis. The following individuals would be assigned to work with Clay Township's pension plan and supported by their teams at Conrad Siegel.

**David P. Lytle, FSA, CFA, MAAA, Partner and Chief Investment Officer** - with Conrad Siegel since 2009.

**John Vargo, FSA, EA, MAAA, Partner and Consulting Actuary** - with Conrad Siegel since 1996.

## **4. Describe the turnover that your organization has had over the last five years with consultants that provide the requested investment advisory and actuarial services.**

Turnover among our consultants is practically non-existent. We have an unparalleled reputation for providing municipal pension services for Pennsylvania municipalities and governmental units. We are proud to state that there have been no significant developments in our organization with respect to ownership changes or personnel reorganizations. Dave Lytle was promoted to Chief Investment Officer in

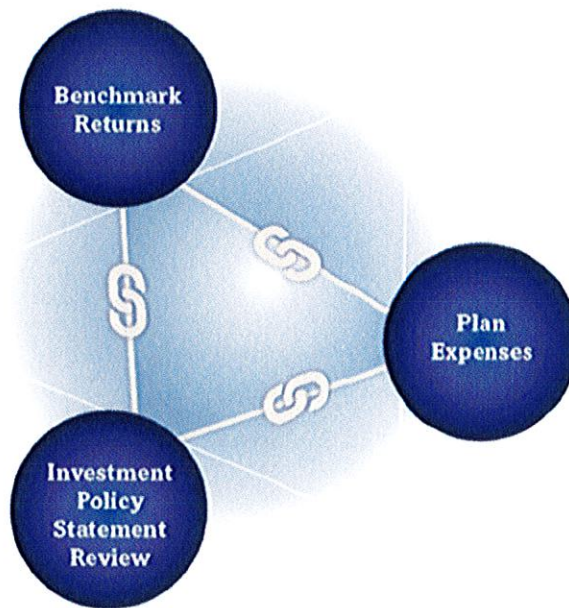
2019, but was already working on Conrad Siegel's internal research team. He was also made a firm partner in 2020. In fact, throughout the entire history of our firm, we have not lost a partner other than due to retirement or an untimely death. Our policy is to maintain continuity in the relationships developed between our consultants and their clients. Our clients appreciate this continuity in service and the benefits derived from a clear understanding of their goals and objectives.

**5. Within the last five years has your organization or an officer or principal been involved in any business litigation or other legal proceedings relating to your professional activities? If so, provide an explanation and indicate the current status.**

From time-to-time Conrad Siegel, has been the subject of investigations, business litigation, or other legal proceedings related to our professional activities. Within the last five years, our firm has not been ruled against or admitted fault in any cases. There are no current cases at this time.

**Transparency among the investment committee**

so all responsibilities are documented.



## **Investment Policy and Philosophy**

## 1. Describe the investment philosophy you would employ for this portfolio.

We have the ability to customize each client's portfolio to their specific characteristics but do have principles that apply to all of our client's accounts.

- **We are not market-timers.** We develop a strategic asset allocation and practice regular rebalancing. Since retirement plan funds are a long-term proposition, we believe it is important to have the investment strategy be long-term as well.
- **Fee conscious investing.** Whether an allocation is invested in all index funds or a mix of index and non-index funds, we recognize the importance of controlling investment related expenses. Multiple studies have shown correlations between high fees and poor performance.
- **Broad Diversification.** Our approach to diversification applies both to asset classes, (such as Domestic Equity, Developed ex-US Equity, Emerging Markets) and at the fund level, concerning the number of underlying holdings and asset class coverage compared to the benchmark.
- **We invest in investment-grade fixed income.** High-yield fixed income, formerly known as junk bonds, has a much higher correlation to equity markets compared to government and investment grade corporate bonds. The result is that this asset class often decreases in value during times of market stress, when the fixed income portfolio is the most important. We recognize the importance of fixed income in a portfolio and the benefits of diversification and stability.
- **Equity Index Funds.** Conrad Siegel is comfortable running on either fully indexed allocation or an allocation with an index core that is supplemented by non-index funds. Index funds minimize cost and provide market-like returns. When using non-index funds, we emphasize their use in less efficient asset classes (emerging markets, international small cap equities, and corporate bonds).
- **Conrad Siegel invests in publicly traded mutual funds and exchange traded funds (ETFs).** These types of investments provide diversification, daily pricing and liquidity, and SEC oversight.

Our investment philosophy is very straightforward. We employ a long-term approach that is based on utilizing broadly diversified, low cost mutual funds. Our approach is a hands-on, personalized client driven process that will emphasize a close working relationship with the Township to develop an allocation that looks to meet long-term goals and the risk/return characteristics of the investment committee.

## 2. Describe your asset allocation process for pension investments.

All of our asset allocation models are derived from our own research. The asset classes we use and the allocations among them are dependent on an optimized risk and return approach we use to construct them. Our portfolios can be either standardized or unique to any individual client. For example, taking into consideration the integration of the plan's liability stream and funding status: for a pension plan that has a long-term horizon, our typical starting point is 65% equities (domestic and foreign) and 35% investment grade fixed income. We have clients that invest more conservatively, but discourage higher than 70% equity due to the extra risk for minimal return. While we have a standard model, we work with each client to determine if they are most comfortable with an all index approach, or have an investment style that should include funds that employ active management. We will also discuss whether the asset allocation should be market weighted or have exposure to certain sub-asset classes (value/growth style, large/small size, developed/emerging markets, etc.) to try to generate a return premium in the long run.

Conrad Siegel believes in Strategic Asset Allocation. We do not practice tactical asset allocation. When we make recommendations, it is with the belief that they can increase return and/or reduce risk over longer time frames. Conrad Siegel offers custom portfolios with a consistent philosophy. The recommendation process starts with an all index model as a starting point for each client. We then walk through the decisions related to active management and whether to use "tilts" or market like exposure within each sub-asset class. With a defined contribution plan like Clay Township's pension plan, we recommend an all index approach due to the shorter time horizon that corresponds employee turnover and lump sum distributions at retirement. This process will result in a target allocation comprised of funds from our recommended funds list.

**3. How many investments are on your approved list and what are the guidelines you impose on the investment managers?**

Conrad Siegel screens investment options for our recommended funds list using Morningstar Office. Morningstar Office currently has data on nearly 25,000 mutual funds and Conrad Siegel also considers CITs and ETFs on applicable platforms. The chart below list the funds that were on our recommended funds list for retirement plans as of March 31, 2023. Conrad Siegel monitors funds on the recommended funds list against the criteria in our clients' investment policy statement. When looking to add or replace funds to the recommended funds list, our internal research team uses these quantitative screens, qualitative reviews, and discussions directly with the fund companies.

**4. Provide three references that we may contact where you provide investment management services and employ a philosophy which you have described above.**



**Northern Lancaster County Regional Police**

David Steffen, Chief of Police  
860 Durlach Road  
Stevens, PA 17578  
(717) 733-0965  
[steffend@nlcrpd.org](mailto:steffend@nlcrpd.org)

**Muhlenberg Township Authority**

Jeffrey Calpino, Manager  
2840 Kutztown Road  
Reading, PA 19605  
(610) 929-4709  
[jcalpino@comcast.net](mailto:jcalpino@comcast.net)



**East Buffalo Township**

Jolene Helwig, Township Manager  
589 Fairgrounds Road, Suite 1  
Lewisburg, PA 17837  
(570) 523-6320  
[ebtmanager@gmail.com](mailto:ebtmanager@gmail.com)

## **5. Confirm that your base services include preparation of an investment policy and list the key components of the policy.**

Our services include working with you through fiduciary liability issues by developing an investment policy statement (IPS) that is customized for the investment objectives and guidelines of your pension funds. We are happy to help you review your existing document or use our template for defined benefit municipal pension plans as a starting point. A sample of our IPS template is attached along with this proposal and a list of the sections of our template IPS are provided below this response.

Summary of Sections in Conrad Siegel IPS

- Plan Summary
- Purpose of Investment Policy Statement
- Investment Objectives
- Plan Objectives
- Roles and Responsibilities
- Selection of Investment Advisor
- Selection of Investments
  - o Includes criteria where compliances is reported on a quarterly basis.
- Prohibited Investments
- Asset Allocation
- Rebalancing
- Investment Monitoring and Reporting
- Total Expenses and Fees
- Benchmark Indices
- Investment Advisor Termination
- Coordination with the Plan Document

## **6. Will you state in writing that you will act as a fiduciary of our investment program?**

We are independent investment consultants. As such, you can be assured that our advice will be in your best interests. Because we are independent consultants, this allows us to act either as a 3(21) or 3(38) fiduciary and share in the investment responsibility. This will be listed in writing within our investment advisory agreement with the Township.

## **7. Describe your proposal regarding custodial services. Include a description of how monthly payments and lump sums are issued, including tax withholding and submission, as well as tax reporting to IRS and to retirees.**

Conrad Siegel partners with Charles Schwab to provide a full range of custodial services and to provide administrative services for monthly preparation and distribution of payments to retirees:

- **Diversified Menu of Funds** - We have access to thousands of no-load mutual funds from hundreds of mutual fund families.
- **Custody of Assets** - The assets are safeguarded in one of the world's largest depositories.

- **Certified Trust Statements** - Charles Schwab will issue certified trust statements to assist your plan's auditor in preparation of the annual audit report.
- **Check Issuing Services** - Charles Schwab will distribute benefit payments to retirees. Any IRS Form 1099-Rs, or other reporting requirements will be prepared and distributed directly to participants.

Payment Instructions are setup at Charles Schwab on a recurring basis or on a one-time basis. Conrad Siegel's system tracks the amount of monthly payments within the Plan and automatically uploads trades to Charles Schwab the day before payments are issued to participants. This removes the need for a transaction account and allows us to keep Plan assets fully invested with a 0% cash target. As part of our services, Conrad Siegel will setup new payments, modify existing payments as necessary, and process lump sum payments. Completed retirement paperwork or details of modification to existing payments (tax withholding, address change, direct deposit, etc.) will just need to be forwarded to Dave Lytle's attention. Tax withholding, tax reporting, and the issuing of 1099-R tax forms are all handled by Charles Schwab. We also subscribe to a service that allows us to be notified of any retiree deaths. When Conrad Siegel provides both actuarial and investment advisory services to a plan, the benefit payment process can become more efficient from a Township perspective.

**8. Do you have experience with "daily valuation participant choice defined contribution plans"? Are you open to discussion of options with Clay Township in the future?**

Conrad Siegel has the capabilities to provide the record-keeping services needed for a daily valuation defined contribution plan. We also provide investment advisory services to these type of plans. We are open to discussing options with the Township that includes modifying the existing plan, transitioning to a daily valuation retirement plan, and/or partnering a participant choice 457(b) plan with the existing plan.



## **Actuarial Services**



**1. How many years has the firm been providing actuarial services to Pennsylvania municipalities?**

Conrad Siegel has been providing actuarial services for municipal government entities in Pennsylvania for over 60 years.

**2. How many Pennsylvania municipal retirement plans is the firm currently providing actuarial services?**

We work with nearly 300 municipal pension plans, all in Pennsylvania. This includes Northern Lancaster Country Regional Police Department that includes Clay Township. This provides us with perhaps the largest database of best practices that Pennsylvania municipalities are using in the design, funding, and administration of their pension plans.

**3. Describe your knowledge and experience with Act 205 and Act 600.**

Our founder, Connie Siegel was hired as a consultant for the Commonwealth of Pennsylvania leading up to the creation of the Public Employees Retirement Commission. He also was instrumental in the drafting of Act 205 of 1984, which governs the way Pennsylvania municipal pension plans are funded and administered. We are well-versed and able to help with even the most complex provisions, fiscal obligations, and reporting requirements under Act 600 and Act 205. And our close working relationship with the Auditor General's office has been invaluable when working to get a resolution quickly for our clients when the need arises. Our municipal consultants have combined over 100 years of service with municipal pension plans. We understand Pennsylvania's municipal pension plan system and believe our expertise with Pennsylvania's Act 205 is second to none.

**4. Describe the number of actuaries from the firm that provide actuarial services to PA municipal retirement plans.**

A total of 20 professionals, both enrolled actuaries and actuarial analysts, provide actuarial support and actuarial calculations for Pennsylvania municipal retirement plans. One of the keys to your satisfaction with the services provided by our firm will be the qualified professionals with whom you directly interact on a regular basis. At Conrad Siegel, our practice is to assign an owner in the firm to act as one of your Consulting Actuaries. This very simple but important approach demonstrates our commitment to exceeding your expectations.

**5. Provide three references that we may contact where you provide Act 205 actuarial services.**

Same as IA references. These are all joint clients with John and I.

## **Fees**

**1. Please identify all fees for all services requested in this RFP. These fees should include both direct and indirect fees, whether paid to you or to another entity. Please specify in terms of both dollar amounts and percent of asset fees. Complete the following chart, which includes the fee column (express as both dollar amount and % of assets) and the explanation column, where we are looking for a complete explanation as to how the fee in that category is being calculated.**

<b>ANNUAL/ONGOING \$XX</b>		
<b>Portfolios(s)</b>		
<b>DESCRIPTION</b>	<b>FEE</b>	<b>EXPLANATION</b>
<b>Custodian</b>		\$500 plus 0.08% of assets. <sup>1, 3</sup>
Direct cost for custodial services	0.22% / \$787	
<b>Investment Advisory</b>		0.30% of assets with a minimum of \$41,000 (minimum reduced due to NLCRPD plans)
Direct cost for investment advisory services	0.30% / \$1,078	
<b>Mutual Fund Expenses</b>		This is the dollar weighted average expense based on all index approach. <sup>3</sup>
<b>Individual mutual fund fees</b>	0.06% / \$216	
<b>Investment Expenses</b>		Not Applicable
Fees for underlying investments outside of mutual funds (separate account manager fees, etc.)	0.00% / \$0	
<b>Annual Actuarial/ Administration</b>	0.67% / \$2,400	Flat Fee for Annual Participant Benefit Statements, Preparation of Benefit Payment Requests, Assistance with AG Audits, Preparation of Act 205 Form (Every other year). <sup>2</sup>
<b>TOTAL ANNUAL FEES</b>	<b>1.25% / \$4,481</b>	This represents the total "all in" fee.

<sup>1</sup> If Charles Schwab Trust Bank is also serving as directed trustee (which is optional), there is an additional annual fee of \$1,000 per account. Additional fees associated with benefit payments are \$5 per ACH / \$10 per check for non-recurring participant payments, and \$10 per ACH / \$20 per check for a stopped payment. This fee includes the 1099-R tax form.

<sup>2</sup> Non-recurring projects will be quoted on an as needed basis.

<sup>3</sup> It is possible that the custodial and mutual fund expenses could be lowered by explaining Clay Township's affiliation with NLCRPD. Conrad Siegel would make this request, but cannot state with certainty that it would be accepted, so standalone fees are quoted in the table above.

**2. Do you receive any direct or indirect compensation from investment product providers?**

Conrad Siegel is an independent firm that does not offer proprietary funds. We receive no third-party commission nor do we have any exclusive affiliation with any financial institution, broker/dealer, money manager, or mutual fund company so that we can offer our clients investment recommendations that are in their best interests. We do partner with Charles Schwab to provide custodial services for our investment clients, but receive no compensation from Charles Schwab. Charles Schwab is one of the world's largest depositories of assets. On a regular basis, we perform an in-depth evaluation of our relationship with Charles Schwab to ensure they are still providing best execution for our clients, relative to the cost of their services.

### 3. Describe any limits on the above services and any additional fees that the plans may incur for other potential services.

We do not anticipate any additional charges for our services but would disclose additional fees to the Township before commencing work on any such projects.

## Expertise

Backed by our 50+ year firm history and combined actuarial experience, our team of highly qualified consultants are dedicated to your municipality.



**Dave Killick, FSA, EA,  
MAAA**  
Partner & Consulting Actuary



**Jeff Myers, FSA, EA,  
MAAA**  
Partner & Consulting Actuary



**John Vargo, FSA, EA,  
MAAA**  
Partner & Consulting Actuary



**Jon Cramer, FSA, EA,  
MAAA**  
Partner & Consulting Actuary



**Ashley Wise, FSA, CERA,  
EA, MAAA**  
Partner & Consulting Actuary

**125 years of**  
combined actuarial  
experience.

Serving nearly  
**300 PA**  
municipal  
plans

## **ACT 44 Disclosure Form**

# **ACT 44 DISCLOSURE FORM FOR ENTITIES PROVIDING PROFESSIONAL SERVICES TO THE CLAY TOWNSHIP PENSION SYSTEM**

CHAPTER 7-A OF ACT 44 OF 2009 MANDATES the annual disclosure of certain information by every entity (hereinafter "Contractor") which is a party to a professional services contract with one or more of the pension funds of the above municipality (hereinafter the "Requesting Municipality"). Act 44 disclosure requirements apply to Contractors who provide professional pension services and receive payment of any kind from the Requesting Municipality's pension fund. Conrad M. Siegel, Inc. believes we fall under the requirements of Act 44 and therefore, we are submitting the attached disclosure form.

## DEFINITIONS FOR DISCLOSURE

<b>TERM:</b>	<b>DEFINITION:</b>
<b>CONTRACTOR</b>	Any person, company, or other entity that receives payments, fees, or any other form of compensation from a municipal pension fund in exchange for rendering professional services for the benefit of the municipal pension fund.
<b>SUBCONTRACTOR OR ADVISOR</b>	Anyone who is paid a fee or receives compensation from a municipal pension system – directly or indirectly from or through a contractor.
<b>AFFILIATED ENTITY</b>	Any of the following: <ol style="list-style-type: none"> <li>1. A subsidiary or holding company of a lobbying firm or other business entity owned in whole or in part by a lobbying firm.</li> <li>2. An organization recognized by the Internal Revenue Service as a tax-exempt organization under section 501(c) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 501 (c)) established by a lobbyist or lobbying firm or an affiliated entity.</li> </ol>
<b>CONTRIBUTIONS</b>	As defined in section 1621 of the act of June 3 <sup>rd</sup> , 1937 (P.L. 1333, No. 320), known as the Pennsylvania Election Code
<b>POLITICAL COMMITTEE</b>	As defined in section 1621 of the act of June 3 <sup>rd</sup> , 1937 (P.L. 1333, No. 320), known as the Pennsylvania Election Code
<b>EXECUTIVE LEVEL EMPLOYEE</b>	<b>Any employee or person or the person's affiliated entity who:</b> <ol style="list-style-type: none"> <li>1. Can affect or influence the outcome of the person's or affiliated entity's actions, policies, or decisions relating to pensions and the conduct of business with a municipality or a municipal pension system; or</li> <li>2. Is directly involved in the implementation or development policies relating to pensions, investments, contracts or procurement or the conduct of business with a municipality or municipal pension system.</li> </ol>
<b>MUNICIPAL PENSION SYSTEM</b>	Any qualifying pension plan, under Pennsylvania state law, for any municipality within the Commonwealth of Pennsylvania; includes the Pennsylvania Municipal Retirement System.
<b>PROFESSIONAL SERVICES CONTRACT</b>	A contract to which the municipal pension system is a party that is: (1) for the purchase of professional services including investment services, legal services, real estate services, and other consulting services; and, (2) not subject to a requirement that the lowest bid be accepted.



## IDENTIFICATION OF CONTRACTORS & RELATED PERSONNEL

**CONTRACTORS:** (See “Definitions” – page 2) Any entity who currently provides service(s) by means of a Professional Services Contract to the Municipal Pension System of the Requesting Municipality, please complete all of the following:

Identify the Municipal Pension plan(s) for which you are providing information:

### Clay Township Municipal Pension Plan

1. Please provide the names and titles of all individuals providing professional services to the Requesting Municipality’s pension plan(s) identified above. Also include the names and titles of any advisors and subcontractors of the Contractor, identifying them as such. After each name provide a description of the responsibilities of that person with regard to the professional services being provided to each designated pension plan.

The following individuals are all employees of Conrad M. Siegel, Inc., the parent company of Conrad Sigel Investment Advisors, Inc. (“CSIA”), and provide actuarial or support services to our public sector clients. We do not hire any third-party advisors or subcontractors.

Andrew W. Bigelow	John D. McGlynn	McKenzie A. Miller
Ashley A. Wise	John D. Vargo	Melissa Hoch
Brian N. Graff	Jonathan D. Cramer	Michael R. Hoyle
Casey B. Krady	Joshua R. Mayhue	Nathan Bailey
Charles A. Eberlin	Kody A. Kegarise	Nicholas P. Frankenstein
Daniel S. Hollinger	Krista A. Mamet	Nicholas V. Penn
David H. Killick	Laura V. Hess	Olivia M. Boyer
David P. Lytle	Laura D. Hrebenak	Rachel Y. Kye
Elizabeth N. Goodhart	Lauren N. Frankford	Sean M. Gallen
Emily M. Horne	Laurie Pardon	Stacey A. Souders
Emily N. McHenry	Lyndsey M. Turner	Tara L. Mashack-Behney
Ian Reish	Mackenzie N. Garner	Thomas W. Reese
J. Scott Gehman	Mark A. Dixon	Trevor S. Bare
Jacob W. Jones	Matthew J. Southeron	Whitney Brubaker
Jeffrey S. Myers		

2. Please list the name and title of any *Affiliated Entity* and their *Executive-level Employee(s)* that require disclosure; after each name, include a brief description of their duties. (See: Definitions)

**N/A - Conrad M. Siegel, Inc. is not an Affiliated Entity.**

3. Are any of the individuals named in Item 1 or Item 2 above, a current or former official or employee of the Requesting Municipality? IF “YES”, provide the name and of the person employed, their position with the municipality, and dates of employment.

No.

4. Are any of the individuals named in Item 1 or Item 2 above a current or former registered Federal or State lobbyist? IF “YES”, provide the name of the individual, specify whether they are a state or federal lobbyist, and the date of their most recent registration /renewal.

No.

**NOTICE:** All information provided for items 1- 4 above must be updated as changes occur.

5. Since December 17<sup>th</sup> 2009, has the *Contractor* or an *Affiliated Entity* paid compensation to or employed any third party intermediary, agent, or lobbyist that is to directly or indirectly communicate with an official or employee of the *Municipal Pension System* of the Requesting Municipality (OR), any municipal official or employee of the Requesting Municipality in connection with any transaction or investment involving the *Contractor* and the *Municipal Pension System* of the Requesting Municipality?

This question does not apply to an officer or employee of the *Contractor* who is acting within the scope of the firm's standard professional duties on behalf of the firm, including the actual provision of legal, accounting, engineering, real estate, or other professional advice, services, or assistance pursuant to the professional services contact with municipality's pension system. IF "YES", identify: (1) whom (the third party intermediary, agent, or lobbyist) was paid the compensation or employed by the *Contractor* or *Affiliated Entity*, (2) their specific duties to directly or indirectly communicate with an official or employee of the *Municipal Pension System* of the Requesting Municipality (OR), any municipal official or employee of the Requesting Municipality, (3) the official they communicated with, and (4) the dates of this service.

**No. Conrad M. Siegel, Inc. does not pay or employ any third party individuals.**

6. Within the past two years, has the *Contractor*, or any agent, officer, director or employee of the *Contractor* solicited a contribution to any municipal official or candidate for municipal office in the Requesting Municipality, or to the political party or political action committee of that official or candidate?

IF "YES", identify the agent, officer, director or employee who made the solicitation and the municipal officials, candidates, political party or political committee who were solicited (to whom the solicitation was made).

**No.**

7. Within the past two years, has the *Contractor* or an *Affiliated Entity* made any contributions to a municipal official or any candidate for municipal office in the Requesting Municipality?

IF "YES", provide the name and address of the person(s) making the contribution, the contributor's relationship to the *Contractor*, the name and office or position of the person receiving the contribution, the date of the contribution, and the amount of the contribution.

**No.**

8. Does the *Contractor* or an *Affiliated Entity* have any direct financial, commercial or business relationship with any official of the Requesting Municipality?

IF "YES", identify the individual with whom the relationship exists and give a detailed description of that relationship. A written letter is required from the Requesting Municipality acknowledging the relationship and consenting to its existence. The letter must be attached to this disclosure. Contact the Requesting Municipality to obtain this letter and attach it to this disclosure before submission.

**No.**

9. Has the *Contractor* or an *Affiliated Entity* given any gifts having more than a nominal value to any official, employee or fiduciary of the Requesting Municipality?

IF "YES", provide the name of the person conferring the gift, the person receiving the gift, the office or position of the person receiving the gift, specify what the gift was, and the date conferred.

**No.**

10. Disclosure of contributions to any political entity in the Commonwealth of Pennsylvania Applicability: A "yes" response is required and full disclosure is required ONLY WHEN ALL of the following applies:

- a) The contribution was made within the last 5 years
- b) The contribution was made by an officer, director, executive-level employee or owner of at least 5% of the *Contractor* or *Affiliated Entity*.
- c) The amount of the contribution was at least \$500 and in the form of:
  1. A single contribution by a person in (b) above, OR
  2. The aggregate of all contributions all persons in (b) above;
- d) The contribution was for:

1. Any candidate for any public office or any person who holds an office in the Commonwealth of Pennsylvania;
2. The political committee of a candidate for public office or any person that holds an office in the Commonwealth of Pennsylvania.

IF "YES", provide the name and address of the person(s) making the contribution, the contributor's relationship to the *Contractor*, the name and office or position of the person receiving the contribution (or the political entity / party receiving the contribution), the date of the contribution, and the amount of the contribution.

**None.**

- 11.** With respect to your provision of professional services to the Municipal Pension System of the Requesting Municipality:

Are you aware of any apparent, potential or actual conflicts of interest with respect to any officer, director or employee of the *Contractor* and officials or employees of the Requesting Municipality?

**NOTE:** If, in the future, you become aware of any apparent, potential, or actual conflict of interest, you are expected to update this Disclosure Form immediately in writing by:

- Providing a brief synopsis of the conflict of interest (and);
- An explanation of the steps taken to address this apparent, potential, or actual conflict of interest.

IF "YES", Provide a detailed explanation of the circumstances which provide you with a basis to conclude that an apparent, potential, or actual conflict of interest may exist.

**No, Conrad M. Siegel, Inc. is not aware of any conflict or potential conflict.**

- 12.** To the extent that you believe that Chapter 7-A of Act 44 of 2009 requires you to disclose any additional information beyond what has been requested above, please provide that information below or on a separate piece of paper.

**None.**

# VERIFICATION

We, David P. Lytle, FSA, CFA, MAAA, and John Vargo, FSA, EA, MAA hereby state that we are Consulting Actuaries for Conrad M. Siegel, Inc. and are authorized to make this verification.

We hereby verify that the facts set forth in the foregoing Act 44 Disclosure Form for Entities Providing Professional Services to Clay Township are true and correct to the best of our knowledge, information and belief. We also understand that knowingly making material misstatements or omissions in this form could subject the responding Contractor to the penalties in Section 705-A(e) of Act 44.

We understand that false statements herein are made subject to the penalties of 18 P.A.C.S. § 4904 relating to unsworn falsification to authorities.



\_\_\_\_\_  
Signature

June 14, 2023

\_\_\_\_\_  
Date



\_\_\_\_\_  
Signature

June 14, 2023

\_\_\_\_\_  
Date

---

\* All investment advisory services and fiduciary services are provided through Conrad Siegel Investment Advisors, Inc. ("CSIA"), a fee-for-service investment adviser registered with the U.S. Securities and Exchange Commission with its principal place of business in the Commonwealth of Pennsylvania. Registration of an Investment Advisor does not imply any level of skill or training. CSIA operates in a fiduciary capacity for its clients. Investing in securities involves the potential for gains and the risk of loss and past performance may not be indicative of future results. CSIA and its representatives are in compliance with the current notice filing registration requirements imposed upon registered investment advisors by those states in which CSIA maintains clients. CSIA may only transact business in those states in which it is noticed filed, or qualifies for an exemption or exclusion from notice filing requirements. Any subsequent, direct communication by CSIA with a prospective client shall be conducted by a representative that is either registered or qualifies for an exemption or exclusion from registration in the state where the prospective client resides. For additional information about CSIA, please refer to the Firm's Form ADV disclosure documents, the current versions of which are available on the SEC's Investment Adviser Public Disclosure website ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) and may also be made available upon request.

Fee estimates are provided for illustrative purposes only. Your actual costs will be determined by the specific fee schedule in your client agreement.

All referenced data reflects information as of June 30, 2022, unless otherwise notes. Any testimonials do not refer, directly or indirectly, to CSIA or its investment advice, analysis or other advisory services. No award, ranking or designation referenced herein is to be interpreted as an endorsement, testimonial, recommendation or referral with respect to CSIA, its representative or its investment advisory services. CSIA is not affiliated with or an agent of any of the issuing entities of such awards, rankings or designations, and no fee was paid for CSIA's inclusion or consideration. The criteria for the rankings, awards and/or designations referenced above can be found at [conradSiegel.com/csia-disclosure](http://conradSiegel.com/csia-disclosure).

# DISCLOSURE BROCHURE

Form ADV Part 2A

December 15, 2022



## Conrad Siegel™

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717.652.5633

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Naples, Florida 34108  
239.325.1866

201 Granite Run Drive, Suite 130  
Lancaster, Pennsylvania 17601  
717.727.7500

[www.ConradSiegel.com](http://www.ConradSiegel.com)

This brochure provides information about the qualifications and business practices of Conrad Siegel Investment Advisors, Inc. (hereinafter "CSIA" or the "Firm"), a wholly owned subsidiary of Conrad M. Siegel, Inc. (the "Parent Company"). If you have any questions about the contents of this brochure, please contact the Firm at the number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority. Additional information about CSIA is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). CSIA is an independent, federally registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2. Material Changes**

In this Item, CSIA is required to discuss any material changes which have been made to the brochure since the last annual amendment filed September 22, 2021. This brochure contains no material changes thereto.

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## **Item 4. Advisory Business**

### **Description of the Firm**

This brochure describes the business of CSIA. Certain sections will also describe the activities of Supervised Persons. Supervised Persons are any of CSIA's officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on CSIA's behalf and is subject to CSIA's supervision or control. CSIA, a wholly-owned subsidiary of Conrad M. Siegel, Inc. was founded in July 2002 and currently provides financial planning, consulting, and investment management services. The Firm is principally owned by the Parent Company.

Prior to engaging CSIA to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with CSIA setting forth the terms and conditions under which CSIA renders its services (collectively the "Agreement").

### **Financial Planning and Consulting Services**

CSIA provides its clients with a broad range of comprehensive financial planning and consulting services. These services are customized for the individual client, but generally include retirement planning, investment planning, risk management, education planning (i.e., college savings), and estate planning.

In performing its services, CSIA is not required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. CSIA may recommend the services of itself, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if CSIA recommends its own services. The client is under no obligation to act upon any of the recommendations made by CSIA under a financial planning or consulting engagement or to engage the services of any such recommended professional, including CSIA itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of CSIA's recommendations. Clients are advised that it remains their responsibility to promptly notify CSIA if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising CSIA's previous recommendations and/or services.

### **Educational Services**

CSIA provides personalized and/or non-personalized investment-related educational training to certain clients. These services generally address issues involving employee participation in employer-sponsored retirement plans.

CSIA holds employee educational meetings for many of its 401(k) clients and can provide participants with personalized education. The Firm does not contract with participants or charge a fee to participants but can include these educational services as part of the overall services it provides to its 401(k) clients.

### **Fiduciary Oversight Services**

As a 3(21) fiduciary or 3(38) fiduciary under the Employee Retirement Income Security Act of 1974 ("ERISA"), CSIA provides guidance for clients by managing some or all of their fiduciary responsibilities. CSIA offers an array of oversight services to ensure compliance with the ERISA Fiduciary Rule. CSIA drafts Investment Policy Statements ("IPS") and monitors them on a quarterly basis while providing notification and a recommended course of action if a client's fund falls below the criteria set forth in the IPS. CSIA also meets with retirement plan sponsors to discuss the total cost associated of administering the plan. Similarly, CSIA also analyzes sponsors' mutual fund

usage, performances vs. benchmarks comparison and qualified default investment alternatives.

### **Investment Management Services**

Clients can engage CSIA to manage all or a portion of their assets on a discretionary or non-discretionary basis. As further discussed in Item 8 (below), CSIA primarily allocates clients' investment management assets among mutual funds, ETFs (as defined below) and collective investment trusts, in accordance with the investment objectives of the client. CSIA also provides advice about any type of investment held in clients' portfolios with the exception, in certain circumstances, of company stock.

CSIA also renders non-discretionary investment management services to clients relative to variable life/annuity products that they may own, their individual employer-sponsored retirement plans, and/or 529 plans or other products that may not be held by the client's primary custodian. In so doing, CSIA either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or custodian designated by the product.

Additionally, CSIA serves as an ERISA 3(38) investment manager for a Pooled Employer Plan ("PEP") whereas Conrad M. Siegel, Inc. serves as the Pooled Plan Provider. Conrad Siegel's PEP program allows unrelated employers to join the same qualified retirement plan, providing benefits such as reduced plan expenses and reduced fiduciary liabilities.

### **Client Tailored Engagements**

CSIA tailors its advisory services to the individual needs of clients. CSIA consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the clients' investment needs. CSIA ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify CSIA if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon CSIA's management services. Clients may impose reasonable restrictions or mandates on the management of their account (e.g., require that a portion of their assets be invested in socially responsible funds) if, in CSIA's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

### **Siegel Select Portfolios**

Where deemed appropriate, certain investment management and financial planning services are provided by the Firm through the Siegel Select Portfolios ("SSP" or "Siegel Select Portfolios") Program. Through SSP, CSIA offer clients a range of investment strategies the Firm has constructed and manages. Each strategy consists of a portfolio of exchange-traded funds ("ETFs") and a cash allocation in accordance with the investment objectives of the client.

SSP portfolios are held in a brokerage account opened by the clients at Charles Schwab & Co., Inc. ("Schwab").

CSIA uses the Institutional Intelligent Portfolios platform offered by Schwab Performance Technologies ("SPT"), a software provider to independent investment advisors and an affiliate of Schwab, to make SSP available to clients online and includes a system that automates certain key parts of the Firm's investment process (the "System"). The System includes an online questionnaire that helps CSIA determine the client's investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that the Firm will recommend

a portfolio via the System in response to the client's answers to the online questionnaire. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but CSIA then makes the final decision and selects a portfolio based on all the information the Firm has about the client. The System also includes an automated investment engine through which CSIA manages the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

The Firm charges clients a fee for its services as described below in Item 5. Clients whose portfolios are managed through SSP generally do not pay brokerage commissions or any other fees to Schwab as part of SSP.

CSIA currently does not pay SPT fees for its services in SSP.

### **Wrap Fee Programs**

Except to the extent described above, CSIA does not sponsor or participate in any wrap fee programs.

### **DOL PTE 2020-02 Compliance**

CSIA is also a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are the laws governing retirement accounts when CSIA provides investment advice to individual clients regarding individual retirement accounts. The way CSIA makes money creates some conflicts of interests, so CSIA ensures to operate under a special rule which requires the Firm to act in the individual clients' best interest and not put CSIA's interest ahead of the individual clients.

Pursuant to this special rule's provisions, CSIA must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put the Firm's financial interests ahead of individual clients when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that CSIA gives advice that in the best interest of individual clients;
- Charge no more than is reasonable for services; and
- Provide basic information about conflicts of interest (which is further discussed throughout this Brochure).

### **Assets Under Management**

As of June 30, 2022, the Firm had approximately \$6,987,640,642 in assets under management, of which \$2,303,655,263 was managed on a discretionary basis. Additionally, \$4,683,985,379 was managed on a non-discretionary basis.

## Item 5. Fees and Compensation

CSIA offers its services on a fee basis, which may include hourly and/or fixed fees, as well as fees based upon assets under management.

### **Fees for Financial Planning, Consulting, Educational and Fiduciary Oversight Services**

CSIA typically charges a fixed fee and/or hourly fee for financial planning, consulting, educational and fiduciary oversight services. These fees are negotiable, but generally range from \$3,000 to \$100,000 on a fixed fee basis and/or from \$90 to \$350 on an hourly rate basis, depending upon the level and scope of the services and the professional rendering the services.

For its educational services where the retirement plan is an advisory client of CSIA, the Firm typically will not charge an additional fee for the first eight (8) hours of educational services and meeting time provided to the retirement plan's participants. Thereafter, CSIA typically bills the plan sponsor for any additional time at the same hourly rate as its financial planning and consulting services.

Prior to engaging CSIA to provide any of the above services, the client is required to enter into a written agreement with CSIA setting forth the terms and conditions of the engagement.

### **Investment Management Fees**

CSIA provides investment management services for an annual fee based upon a percentage of the market value of the assets being managed by CSIA. CSIA's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. CSIA does not, however, receive any portion of these commissions, fees, and costs.

CSIA's annual fee is prorated and charged quarterly, in arrears, based upon the market value of the assets being managed by CSIA on the last day of the previous quarter. For certain clients, CSIA's annual fee is prorated and paid either annually or semi-annually in arrears, based upon the market value of the assets on the last day of the year or the semi-annual period, as applicable.

The annual fee varies depending upon the market value of the assets under management and the type of investment management services to be rendered. For individual clients, the fee ranges up to 90 basis points (0.90%). For the Pooled Employer Plan the fee is 35 basis points (0.35%). For all other clients, the fee schedule is as follows:

#### **Defined Benefit Plan Clients:**

First \$5,000,000 .....	0.30%
Next \$10,000,000 .....	0.15%
Next \$35,000,000 .....	0.10%
Remaining assets above \$50,000,000 .....	0.05%

#### **Defined Contribution Plan Clients:**

First \$5,000,000 .....	0.40%
Remaining assets above \$5,000,000 .....	0.10%

**Corporate and Endowments Clients:**

First \$3,000,000.....	0.60%
Next \$7,000,000.....	0.20%
Remaining assets above \$10,000,000.....	0.10%

In addition, CSIA may charge an additional fee of up to \$3,000 to provide investment management services and/or advice regarding securities that are not on the Firm's recommended list of investments. The Firm also charges an additional hourly or flat fee should the client request additional services, such as (but not limited to) specialized investment research, preparation of participant retirement kits, and additional meetings or portfolio reviews with the client. The fees for these services are set forth in the Agreement with the client.

Where the Parent Company, an affiliated pension consulting firm in Harrisburg, Pennsylvania, provides actuarial services to defined benefit plans, CSIA will assess a flat fee with annual increases in CPI rather than an asset-based fee. This serves to mitigate a potential conflict of interest where CSIA benefits from increased plan contributions which increases the underlying assets and therefore the asset-based fee received by CSIA.

**Fee Discretion**

CSIA, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, pro bono activities, etc.).

**Siegel Select Portfolios Fees**

CSIA offers investment management services through SSP for an annual asset-based management fee. This management fee is 25 basis points (0.25%), subject to a minimum annual fee of \$240 per account. The annual fees are charged quarterly, in advance, based upon the market value of the assets being managed by CSIA on the last day of the previous billing period. If SSP clients want additional services, they can engage CSIA for financial planning services. These fees would be quoted to cover time charges. If SSP clients want regular meetings (1-2 times a year, for example) to review portfolios, the Firm will charge a retainer-type flat fee. Brokerage arrangements with respect to Siegel Select Portfolios are further described below in Item 12.

**Fees Charged by Financial Institutions**

As further discussed in response to Item 12 (below), CSIA generally recommends that clients utilize the custody, brokerage and clearing services of RBC Clearing & Custody, a division of RBC Capital Markets, LLC, Schwab and/or TD AMERITRADE Institutional, a division of TD AMERITRADE, Inc. ("TD Ameritrade") for investment management accounts. RBC Clearing & Custody is a division of RBC Capital Markets, LLC, member FINRA/SIPC/NFA ("RBC"), an unaffiliated SEC-registered broker-dealer and FINRA member. RBC offers independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. CSIA participates in the institutional customer program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade Holding Corporation is a wholly owned subsidiary of the Charles Schwab Corporation. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. CSIA receives some benefits from Page 10

Ameritrade through its participation in the program.

CSIA may only implement its investment management recommendations after the client has arranged for and furnished CSIA with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, RBC, Schwab, TD Ameritrade, any other broker-dealer recommended by CSIA, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the "Financial Institutions"). Clients also have the option to purchase investment products recommended by CSIA through other, unaffiliated brokers or agents.

Clients typically incur certain charges imposed by the Financial Institutions and other third parties such as custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients can incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to CSIA's fee.

#### **Fee Debit**

CSIA's Agreement and the separate agreement with any Financial Institutions may authorize CSIA to debit the client's account for the amount of CSIA's fee and to directly remit that management fee to CSIA. Any Financial Institutions recommended by CSIA have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to CSIA. Alternatively, clients may elect to have CSIA send an invoice for payment.

#### **Fees for Management During Partial Periods of Service**

For the initial period of investment management services, the fees are calculated on a pro rata basis. With respect to Siegel Select Portfolios, clients are not charged for the initial billing period of an engagement, and are billed beginning the following period. If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets will not be adjusted or prorated based on the number of days remaining in the period.

The Agreement between CSIA and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. CSIA's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their account at any time, subject to CSIA's right to terminate an account. Additions may be in cash or securities provided that CSIA reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to CSIA, subject to the usual and customary securities settlement procedures. However, CSIA designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. CSIA may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

#### **Commissions or Sales Charges for Recommendations of Securities**

CSIA does not receive any commissions or transaction fees associated with its investment management services. No Supervised Persons of CSIA are registered representatives of a broker-dealer.

## **Item 6. Performance-Based Fees and Side-by-Side Management**

CSIA does not provide services for performance-based fees, which are considered those based on a share of capital gains or capital appreciation of client assets. As such, the Firm does not engage in side-by-side management, as it relates to this Item.

## Item 7. Types of Clients

CSIA provides its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, endowments, business entities, and state or municipal government entities.

### Minimum Fee

As a condition for starting and maintaining a relationship, CSIA generally imposes a minimum annual fee based on the type of client, as follows: \$5,000 to \$9,000 for individual clients, \$4,500 for defined benefit plans, \$6,000 for corporations and endowments, and \$9,000 for defined contribution plans. This minimum fee may have the effect of making CSIA's service impractical for certain clients, particularly those individuals with portfolios less than \$500,000, defined benefit plans with portfolios less than \$450,000, corporations and endowments with portfolios less than \$600,000 and defined contribution plans with portfolios less than \$900,000.

CSIA, in its sole discretion, may waive its minimum annual fee based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and pro bono activities. The Firm only accepts clients with less than the minimum portfolio size if, in the Firm's sole opinion, the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. CSIA may aggregate the portfolios of clients and their affiliates to meet the minimum annual fee.

The foregoing minimum requirements do not apply to Siegel Select Portfolios ("SSP"). Instead, the minimum investment required to open an account through SSP is \$5,000 and all accounts under management through SSP are subject to a minimum annual fee of \$240.

There is no minimum annual fee for the Pooled Employer Plan (PEP).



## **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis and Investment Strategies**

CSIA employs a core approach of market weighted or fundamentally weighted mutual funds or ETFs as investment vehicles in an attempt to deliver broad diversification and minimize specific issue risk. For larger retirement plan clients, the Firm may incorporate collective investment trusts. In addition, for investors desiring added risk, the Firm may incorporate more actively managed mutual funds or ETFs.

The Firm utilizes both quantitative and qualitative methods of analysis. The Firm begins by researching the Morningstar database of over 25,000 mutual funds and ETFs. The Firm analyzes select funds based on fundamental factors such as degree of size/style overweighting, liquidity, diversification, specific investment concentration, risks to unit return. The Firm then employs discussions with the fund company and /or some quantitative analysis with regards to management, length of tenure, and consistency to determine its final selections for its recommend funds list. The primary risk in using this type of analysis is that spotting historical trends and analyzing historical factors may not help to predict such trends in the future. While the Firm typically recommends starting with a core portfolio of index/passive funds, it also offers actively managed funds for the client to explore.

CSIA believes in a low cost and passive style of investment management based on the belief that asset allocation is the most important decision an investor will make. The Firm believes that financial forecasting is not useful and can be counterproductive, and as such prefers low turnover portfolios to market timing. The Firm believes that free and open markets are generally efficient. CSIA also believes that human nature, fear, and greed can cause market valuations, at times, to be different than their true or intrinsic values. While returns for any one year are random, over market cycles and the long-term, different segments of the market will outperform others, with no one segment consistently outperforming. CSIA advocates broad diversification which often includes a mix of fixed income, domestic equity (including large, mid, and small asset classes), foreign equity (including emerging markets), and possibly sector funds. The Firm utilizes mutual funds and ETFs with low turnover over individual securities to achieve this diversification. For investors desiring added risk, the Firm may incorporate more actively managed mutual funds and ETFs.

For the Firm's clients with participant directed investments, including the Pooled Employer Plan (PEP), CSIA's intent is to keep the mutual fund "menu" concise as to not confuse the average participant. In most cases, CSIA offers a menu of underlying investment options so that a do-it-yourself investor can create a properly diversified investment portfolio. However, the Firm recognizes that many participants are the do-it-for me type. Therefore, the Firm believes in providing those participants a straightforward investment option which can come in the form of a risk-based lifestyle fund, a target retirement date fund, or proprietary investment portfolios. CSIA's investment portfolios are pre-packaged mixes of the same mutual funds offered to the do-it-yourself participant. The Firm then rebalances these portfolios at pre-determined times.

For clients where CSIA is selecting the level of diversification within their portfolio and when developing investment portfolios for our 401k participants, the Firm uses computer modeling to arrive at what it believes to be appropriate risk return levels. CSIA invests with the long-term in mind and makes recommendations for change when the Firm believes it can either increase the long-term return or lower volatility in a portfolio. The Firm does not make short term shifts in a portfolio.

### Siegel Select Portfolios (SSP)

SSP allows CSIA to provide its investment strategies to individual investors who are 1) retirement plan participants as an IRA rollover option; or 2) CSIA individual prospects who ordinarily would not be good candidates for the Firm's reduced or full individual advisory services due to their investable assets. Both sets of investors often end up putting their money in high-expense, low-performing products sold to them by a broker. CSIA will manage the portfolios, recommend an initial allocation to clients and periodically update that allocation recommendation. In addition, CSIA will send regular email communications to SSP clients. This will include value-added information as well as regular communication to remind clients to re-evaluate their risk level at certain stages.

Below is a brief summary of some of the material risks that potential clients should consider before engaging with CSIA. These risks may materially and adversely affect investment performance and could cause investors to lose substantial amounts of money. A potential client should discuss with our advisors any questions they have prior to opening an account.

#### *Risks of Loss*

Investing in securities involves the risk of loss, including the potential loss of principal, and Clients should be prepared to bear such loss. Past performance is no guarantee of future results, which may be impacted by shifting market trends and changing economic conditions. There can be no assurance that any investment or strategy will prove profitable.

#### *Mutual Funds and ETFs*

An investment in a mutual fund involves risk, including the loss of principal. Mutual fund shareholders are subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund level capital gains, as mutual funds are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss. Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"). However, the total amount of the trade is effected by any sales loads, transaction costs, and sales/purchase fees. The per share NAV of a mutual fund is calculated at the end of each business day.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies and/or periods of market stress may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

With respect to cash positions, the principal concern for individuals investing in cash or cash equivalents is inflation risk, which is the risk that inflation will outpace and erode returns over time. Investing in cash involves the risk of opportunity loss in higher return investments. In a low interest rate environment, Client money may have negative real returns.

#### *Management through Similarly Managed Accounts*

For certain clients, CSIA manages portfolios by allocating portfolio assets among various mutual funds and ETFs on a discretionary basis using one or more of its proprietary investment strategies.

(collectively referred to as “investment strategy”). In so doing, CSIA buys, sells, exchanges and/or transfers shares of mutual funds and ETFs based upon the investment strategy. CSIA’s management using the investment strategy complies with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly managed accounts, such as the investment strategy, with a safe harbor from the definition of an investment company.

Securities in the investment strategy are usually exchanged and/or transferred without regard to a client’s individual tax ramifications. Certain investment opportunities that become available to CSIA’s clients may be limited. As further discussed in response to Item 12B (below), CSIA allocates investment opportunities among its clients on a fair and equitable basis.

#### *Management through Siegel Select Portfolios*

Investing in securities, whether through SSP or otherwise, involves the risk of loss that Clients should be prepared to bear. When Clients enroll in SSP, they give CSIA the authority to choose their investment strategies for them based on, among other things, a Client’s risk tolerance. There is no limitation in the SSP’s platform on which investment strategy CSIA may choose for its Clients. For whichever strategy is chosen, there can be no guarantee that the strategy will produce the desired results.

#### *Management through Automated Advisers*

CSIA can allocate all of a portion of a client’s assets through the use of one or more automated advisers, commonly referred to as “Robo-Advisers,” which invest and rebalance portfolios using algorithms based on a client’s financial situation and objectives. The algorithm might rebalance client accounts without regard to market conditions and may not address prolonged changes in market conditions. The degree of manual oversight of the algorithms varies by platform and the staff of an automated adviser may override an algorithm manually at any time without notice to CSIA or the client.

#### *Public Health Risk*

Certain countries have been susceptible to epidemics, such as severe acute respiratory syndrome, avian flu, H1N1/09 flu and most recently, the coronavirus. The outbreak of an infectious disease or any other serious public health concern, together with any resulting restrictions on travel or quarantines imposed, could have a negative impact on the economy, and business activity in any of the countries in which a client may invest and thereby adversely affect the performance of a clients’ investments.

## **Item 9. Disciplinary Information**

CSIA is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. CSIA does not have any required disclosures to this Item.

## **Item 10. Other Financial Industry Activities and Affiliations**

CSIA is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. CSIA has described such relationships and arrangements below.

### **Related Employee Benefit Consultants**

CSIA does not render employee benefit consulting services to its clients. However, certain of the Firm's Supervised Persons also serve a similar capacity for the Parent Company, an employee benefit consulting firm located in Harrisburg, Pennsylvania. From time to time, CSIA recommends certain of its clients to the Parent Company for various employee benefit consulting services. The Parent Company renders these services independently of CSIA. CSIA does not receive any portion of the fees charged (referral or otherwise) by the Parent Company for the services rendered. The place of business of the Parent Company is the same as that of CSIA.

It is also expected that these Principals of CSIA who are also Principals of the Parent Company, solely incidental to their respective practices as employee benefit consultants with the Parent Company, will recommend CSIA's services to certain of the Parent Company's clients. Although the Parent Company does not receive referral fees from CSIA, these individual members of CSIA may be entitled to receive distributions relative to their respective ownership interests in CSIA. The Parent Company is not involved in providing investment advice on behalf of the CSIA.

There may be a conflict of interest where the Parent Company acts as an independent third party recordkeeper and as such may be eligible to receive a Plan Expense Payment from Schwab. Any plan expense payment is credited to the client as disclosed in more detail in Item 12.

## Item 11. Code of Ethics

CSIA has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. CSIA's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of CSIA's personnel (called "Access Persons") to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, CSIA Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a manner consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by Access Persons to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Access Person may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household as the Access Person) a transaction in that security unless the transaction has been completed; the transaction for the Access Person is completed as part of a batch trade (as defined below in Item 12) with clients; or a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact CSIA to request a copy of its Code of Ethics.

## Item 12. Brokerage Practices

As discussed above, in Item 5, CSIA generally recommends that clients utilize the custody, brokerage and clearing services of RBC, Schwab and/or TD Ameritrade.

Factors which CSIA considers in recommending RBC, Schwab, TD Ameritrade, or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. RBC, Schwab and TD Ameritrade enable CSIA to obtain many mutual funds and ETFs without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by RBC, Schwab and/or TD Ameritrade may be higher or lower than those charged by other Financial Institutions.

The commissions paid by CSIA's clients comply with CSIA's duty to obtain "best execution."

Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where CSIA determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. CSIA seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

CSIA periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

### Client Directed Brokerage

The client may direct CSIA in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution, and CSIA will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by CSIA (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, CSIA may decline a client's request to direct brokerage if, in CSIA's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

### Trade Aggregation

Transactions for each client generally will be effected independently, unless CSIA decides to purchase or sell the same securities for several clients at approximately the same time. CSIA may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among CSIA's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among CSIA's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that CSIA determines to aggregate client orders for the purchase or sale of securities, including securities in which CSIA's Supervised Persons may invest, CSIA generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the SEC. CSIA does not receive any additional compensation or remuneration as a result of the aggregation. In the event that CSIA determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage

of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, CSIA may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

### **Research and Other Soft Dollar Benefits**

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist CSIA in its investment decision-making process. Additionally, CSIA may have an incentive to select or recommend a broker-dealer based on their interest in receiving research or other soft dollar benefits, rather than on clients' interest in receiving the most favorable execution. Such research generally will be used to service all of CSIA's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because CSIA does not have to produce or pay for the products or services.

### **Software and Support Provided by Financial Institutions**

CSIA may receive from RBC, Schwab and/or TD Ameritrade, without cost to CSIA, computer software and related systems support, which allow CSIA to better monitor client accounts maintained at the respective firm. CSIA may receive the software and related support without cost because CSIA renders investment management services to clients that maintain assets at Schwab and TD Ameritrade. The software and related systems support may benefit CSIA, but not its clients directly. In fulfilling its duties to its clients, CSIA endeavors at all times to put the interests of its clients first. Clients should be aware, however, that CSIA's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence CSIA's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

### **RBC**

CSIA receives the following benefits from RBC through its registered investment advisor division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Registered Investment Adviser participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

These products or services may assist CSIA in managing and administering client accounts, including accounts not maintained at RBC. Other services made available by RBC are intended to help CSIA manage and further develop its business enterprise. The benefits received by CSIA do not depend on the amount of brokerage transactions directed to RBC. Clients should be aware, however, that the receipt of economic benefits by CSIA or its related persons in and of itself creates



a potential conflict of interest and may indirectly influence CSIA's recommendation of RBC for custody and brokerage services.

### **Schwab Institutional**

CSIA receives the following benefits from Schwab through its Schwab Institutional division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services the Schwab Institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

For clients that enter into either a brokerage account agreement with Schwab or an agreement for custodial or trustee services with Schwab and the Parent Company, as an independent third party record-keeper to Schwab, will be eligible to receive a Plan Expense Payment through Schwab for its administrative and/or recordkeeping services if the Plan's account with Schwab satisfies the criteria established under the RP Program Administrator Agreement in effect between the Parent Company and Schwab. Our standard method of handling is for any Plan Expense Payment to be credited directly by Schwab to the Plan as soon as administratively feasible and to be allocated as investment return as of the Plan allocation date on or immediately following the date of credit. Neither CSIA nor the Parent Company will receive these funds. However, there may be some instances or scenarios where the Plan Expense Payment is not being returned to the Plan. If this is the case, if the client is a defined contribution plan client, to the extent there is any Plan Expense Payment, we shall deduct such Plan Expense Payment from the compensation owed to the Parent Company for recordkeeping services or Schwab will retain it to offset their custodial fee and if the client is a defined benefit plan client, Schwab will retain it to offset their custodial fee.

### **TD Ameritrade**

There is no direct link between CSIA's participation in the program and the investment advice it gives to its clients, although CSIA receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. Additionally, CSIA receives the following benefits from TD Ameritrade through its registered investment adviser division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Registered Investment Adviser participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

These products or services may assist CSIA in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help CSIA manage and further develop its business enterprise. The benefits received by CSIA's participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by CSIA or its related persons in and of itself creates a potential conflict of interest and may indirectly influence CSIA's recommendation of TD Ameritrade for custody and brokerage services.

### **Siegel Select Portfolios**

In addition to CSIA's portfolio management and other services, the SSP includes the brokerage services of Schwab. While clients are required to use Schwab as custodian/broker to enroll in SSP, the client decides whether to do so and opens its account with Schwab by entering into an account agreement directly with Schwab. If the client does not wish to place his or her assets with Schwab,

then CSIA cannot manage the client's account through SSP.

With respect to SSP, as described above under Item 4, CSIA currently does not pay SPT fees for its services in connection with SSP. In light of CSIA's arrangements with Schwab and SPT, the Firm may have an incentive to recommend that clients maintain their accounts with Schwab based on the Firm's interest in receiving Schwab's services that benefit its business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of transactions. This is a potential conflict of interest. CSIA believes, however, that its selection of Schwab as custodian and broker is in the best interests of its clients. It is primarily supported by the scope, quality and price of Schwab's services and not Schwab's services that benefit only the Firm. Conrad Siegel has adopted policies and procedures designed to ensure that its use of Schwab's services is appropriate for each of its clients.

## **Item 13. Review of Accounts**

### **Account Reviews**

For those clients to whom CSIA provides investment management services, CSIA monitors those portfolios as part of an ongoing process while regular account (or investment holding) reviews are typically conducted on at least a quarterly basis. For those clients to whom CSIA provides financial planning and/or consulting services, reviews are conducted on an "as needed" basis. Such reviews are conducted by one of CSIA's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with CSIA and to keep CSIA informed of any changes thereto. CSIA contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

### **Account Statements and Reports**

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom CSIA provides investment advisory services will also receive a report from CSIA that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance not less than annually. Clients should compare the account statements they receive from their custodian with those they receive from CSIA.

Those clients to whom CSIA provides financial planning and/or consulting services will receive reports from CSIA summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by CSIA.

## **Item 14. Client Referrals and Other Compensation**

### **Economic Benefits**

CSIA is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. CSIA does not receive economic benefits from a third party for providing advisory services.

### **Client Referrals**

CSIA is required to disclose any direct or indirect compensation that it provides for client referrals. The Parent Company has entered into an agreement with Schwab, an independent and unaffiliated broker-dealer, to participate in Schwab Advisor Network™ ("SAN"), an advisor referral service designed to help investors find an independent professional investment manager in their area. The Parent Company has agreed to pay Schwab a fee for participating in SAN. This fee covers all client referrals made to CSIA by Schwab and may be increased, decreased or waived by Schwab from time to time. CSIA will not charge clients introduced through SAN fees or costs greater than the fees or costs CSIA charges its advisory clients who were not introduced through SAN and who have similar assets under management with CSIA and receive similar services. Through the Parent Company, CSIA's participation in SAN may raise potential conflicts of interest. The Parent Company's referral fee to Schwab is lower if CSIA accounts thereafter remain in the custody of Schwab rather than another broker-dealer. Any recommendation to use Schwab as the broker-dealer will be consistent with CSIA's duty of best execution as further discussed above. The Firm has also disclosed in Item 12, above, other support products and services that it receives from Schwab and other Financial Institutions.

The Firm utilizes solicitation arrangements. As described in the Firm's written service agreements, solicitors can receive compensation ranging from 5 - 50% of all advisory fees charged by the Firm from solicited clients. Due to the agreement the Firm has with solicitors, the solicitors have an incentive to recommend the Firm, resulting in a material conflict of interest. CSIA will bear the full cost of any fees payable to such placement agents, in accordance with the Advisers Act.

These arrangements are in compliance with the new marketing rule, Rule 206(4) - 1.

## **Item 15. Custody**

CSIA's Agreement and/or the separate agreement with any Financial Institution may authorize CSIA through such Financial Institution to debit a client's account for the amount of CSIA's fee and to directly remit that management fee to CSIA in accordance with applicable custody rules.

The Financial Institutions recommended by CSIA have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to CSIA. In addition, as discussed in Item 13, CSIA also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from CSIA

## **Item 16. Investment Discretion**

CSIA may be given the authority to exercise discretion on behalf of clients. CSIA is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. CSIA is given this authority through a power-of-attorney included in the Agreement between CSIA and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). CSIA takes discretion over the securities to be purchased or sold, the amount of securities to be purchased or sold; and when transactions are made.

Additionally, CSIA also provides investment management and advisory services to clients on a non-discretionary basis pursuant to the specific terms of the Agreement. In those situations, CSIA must either seek the client's approval prior to implementing its recommendations or rely on the client to execute transactions for the account on which it is advising.

## **Item 17. Voting Client Securities**

CSIA is required to disclose if it accepts authority to vote client securities. CSIA does not vote client securities on behalf of its clients. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the telephone number on the cover of this brochure with questions about such solicitations.

**Item 18. Financial Information**

CSIA is not required to disclose any financial information pursuant to this Item as the Firm (i) does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance, (ii) does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and (iii) has not been the subject of a bankruptcy petition at any time during the past ten years.



# Brochure Supplement

October 15, 2019

## David P. Lytle

501 Corporate Circle  
Harrisburg, PA 17110

(717) 652-5633

This Brochure Supplement provides information about David P. Lytle that supplements the Disclosure Brochure of Conrad Siegel Investment Advisors, Inc. (hereinafter "Conrad Siegel"), a copy of which you should have received. Please contact Conrad Siegel's Chief Compliance Officer if you did not receive the Disclosure Brochure or if you have any questions about the contents of this Brochure Supplement. Additional information about David P. Lytle is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Conrad Siegel Investment Advisors, Inc., a Registered Investment Adviser**

501 Corporate Circle, Harrisburg, PA 17110 | (717) 652-5633  
[www.conradsiegel.com](http://www.conradsiegel.com)

## Item 2. Educational Background and Business Experience

Born 1986

### Post-Secondary Education

Pennsylvania State University | B.S., Mathematics - Actuarial Mathematics Option | 2009

### Recent Business Background

Conrad Siegel Investment Advisors, Inc. | Investment Consultant & Chief Investment Officer |  
October 2019 – Present

Conrad Siegel Investment Advisors, Inc. | Investment Consultant | July 2016 – October 2019

Conrad Siegel Investment Advisors, Inc. | Investment Analyst | September 2013 – July 2016

Conrad M. Siegel, Inc. | Actuary | June 2009 – September 2013

### Professional Designations

Chartered Financial Analyst (CFA). The CFA charter is a graduate-level investment credential established in 1962 and awarded by the CFA Institute, the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm adherence to, the CFA Institute Code of Ethics and Standards of Professional Conduct. For more information visit [www.cfainstitute.org](http://www.cfainstitute.org)

## Item 3. Disciplinary Information

Conrad Siegel is required to disclose the pertinent facts regarding any legal or disciplinary events material to a client's evaluation of David P. Lytle. Conrad Siegel has no information to disclose in relation to this Item.

## Item 4. Other Business Activities

Conrad Siegel is required to disclose information regarding any investment-related business or occupation in which David P. Lytle is actively engaged. Conrad Siegel has no information to disclose in relation to this Item.

## Item 5. Additional Compensation

Conrad Siegel is required to describe any arrangement under which David P. Lytle receives an economic benefit for providing advisory services from someone that is not a client of Conrad Siegel. Conrad Siegel has no information to disclose in relation to this Item.

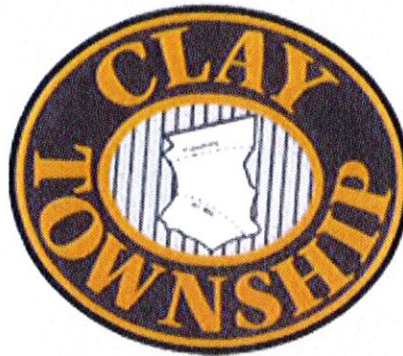
**Item 6. Supervision**

Tara L. Mashack-Behney, President, is generally responsible for supervising David P. Lytle's advisory activities on behalf of Conrad Siegel. The telephone number to reach Tara L. Mashack-Behney is (717) 652-5633.

Conrad Siegel supervises its personnel and the investments made in client accounts. Conrad Siegel monitors the investments recommended by David P. Lytle to ensure those investments are suitable for the particular client and consistent with their investment needs, goals, objectives and risk tolerance, as well as any restrictions previously requested by the client. Conrad Siegel periodically reviews the advisory activities of David P. Lytle, which may include reviewing individual client accounts and correspondence (including e-mails) sent to and received by David P. Lytle.

**R. J. HALL**  
**COMPANY INC.**

**REQUEST FOR PROPOSAL**



**Clay Township**  
**Non-Uniform Pension Plan**

**PRESENTED BY:**

***R. J. HALL COMPANY***

***3461 SPRING ROAD***

***CARLISLE, PA 17013***

***(717) 960-0752***

***[HTTPS://RJHALLCO.COM/](https://rjhallco.com/)***

R.J. Hall Company & VOYA Financial

**VOYA**  
FINANCIAL

Issue Date: 5/24/2023

# ***REQUEST FOR PROPOSAL***

for Retirement Plan Services

Prepared by CLAY TOWNSHIP, LANCASTER COUNTY  
Pennsylvania

*for*

**Clay Township Municipal Pension Plan**

**Bruce R. Leisey, Township Manager**  
870 Durlach Road  
Stevens, PA 17578  
Bruce@claytwp.com

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# Introduction

Clay Township is seeking a service provider for the services listed below. We will employ the enclosed Evaluation Process and will require evidence that the responder has a history of providing a complete package of services.

Clay Township sponsors a defined contribution pension plan. The Clay Township Municipal Pension Plan has assets of approximately \$359,271.66. Clay Township is soliciting proposals to provide the following retirement plan services:

1. Custodial services to provide secure possession, investment placement, reporting and distribution of pension assets.
2. Investment counseling services to provide sound strategies for the stability, preservation and growth of pension assets.
3. Actuarial services including preparation of actuarial valuation reports and forms to be submitted to the Public Employee Retirement Commission under Act 205.
4. Pension administration.

Requests for clarification to this RFP may only be made to Bruce R. Leisey, Township Manager at [bruce@claytwp.com](mailto:bruce@claytwp.com). No communication other than clarification requests may be made to any Clay Township officials either by the applicant or by a third party.

In responding to this request, please:

1. Identify and describe the specific professional services with respect to which you are proposing.
2. Describe your history and experience in providing such services to current clients, including Pennsylvania municipal defined benefit pension plans.
3. Identify the limits, if any, of services provided under your proposed fee, and your fee schedule for other services.
4. Describe in detail the nature and frequency of consultative services you will provide.
5. Set forth any facts or factors, not otherwise addressed in this RFP, which you feel are relevant to the Township's selection of professional service providers.
6. Submit all required disclosures under Act 44 of 2009. Refer to the back of this RFP for guidance.

All interested respondents must complete each section of the enclosed Application and Disclosure Form and forward 4 copies of each to:

Clay Township, Bruce R. Leisey, Township Manager, 870 Durlach Road, Stevens, PA 17578

An electronic version should also be sent to Bruce Leisey at [bruce@claytwp.com](mailto:bruce@claytwp.com).

**Proposals and disclosure forms must be received no later than 4:00 PM on June 14, 2023.**

# Evaluation Process

The evaluation of responses to this RFP and final decision will be conducted by the Clay Township Board of Supervisors. The Board may appoint a committee to conduct preliminary evaluations and to recommend one or more finalists for further review and investigation.

The relevant factors that bear upon the Board's decision will be summarized in a written statement to be included in the documents of award. Within ten (10) days after the award, the application/proposal (except proprietary information) of the successful applicant, a summary of the basis for the award, and all required Act 44 disclosure forms will be transmitted to all unsuccessful applicants.

The criteria to be used shall center upon the responder's qualifications, experience, expertise, proposed fee schedule, the Board's prior experience with and knowledge of the responder, and the Board's cumulative confidence in the successful responder. We will consider a number of factors in combination. These factors will include, but not be limited to, the four sections as referenced below. Final decisions will be based on responses in these four sections. Each section will carry a 25% weighting in the decision.

- Responder's history and organization (25% weighting)
- Investment policy and philosophy (25% weighting)
- Actuarial Services (25% weighting)
- Fees (25% weighting)



# Application

All proposals must follow the order of questions listed below. You may provide attachments and refer to them.

List your organization's complete name, address, telephone and fax numbers. Also include contact information in the event that the Township has specific questions on your proposal.

## Responder's history, ownership, and organization

1. Briefly describe the organization, the year it was founded, location of its headquarters and other offices, years in business, its ownership structure, and business focus.
  - ***The R. J. Hall Company Inc. is located at 3461 Spring Road Carlisle, PA. The R. J. Hall Company was founded in 1985, it is a closely held corporation owned by the President, Robert J. Hall.***  
  
***The R. J. Hall Company specializes in PA municipal pension plans. Professional services include pension administration, audit, actuarial and benefit services.***
  - ***Phone: 717-960-0751 Fax: 717-960-0755***
2. What is the total asset base and number of municipal pension funds on which you consult?
  - ***100+ municipal pension plans under advisement, with over \$290 million assets under management.***
3. Identify the consultants and other key staff who would be involved in serving our account. Provide brief resumes of these individuals.
  - ***Kevin Hall: Pension Administrator & Client Service Representative***  
***(Day-today contact @ the R.J. Hall Company, Inc.)***  
***FINRA: Series 6 and 63***
  - ***Rob Lutz, Jr.: Pension Administrator & Client Service Representative***  
***\*\*Former Auditor for the Dept. of the Auditor General for Municipal Pensions\*\****  
***(Day-today contact @ the R.J. Hall Company, Inc.)***  
***FINRA: Series 6 and 63***
4. Describe the turnover that your organization has had over the last five years with consultants that provide the requested investment advisory and actuarial services.
  - ***Zero turnover in the last 5 years.***
5. Within the last five years has your organization or an officer or principal been involved in any business litigation or other legal proceedings relating to your professional activities? If so, provide an explanation and indicate the current status.
  - ***No.***

## Investment policy and philosophy

1. Describe the investment philosophy you would employ for this portfolio.
  - *In defined contribution plans we provide a broad sampling of reasonably priced and highly rated investment accounts to choose from. We employ both Target Date accounts as well as accounts based not only on your age but also your risk profile. We can tailor these investment accounts to the participants as necessary.*
2. Describe your asset allocation process for pension investments.
  - *This question doesn't apply to defined contribution accounts as participants are choosing their own investments.*
3. How many investments are on your approved list and what are the guidelines you impose on the investment managers?
  - *VOYA utilizes open architecture which allows participants to have access to hundreds of Morningstar approved accounts to choose from. Investment managers go through an extensive internal review before they are utilized in our portfolios. Performance is monitored each quarter through VOYA's due diligence process which is a quantitative and qualitative review of each account in the contract. If a manager is not performing by comparison to their respective benchmark they will be removed and replaced.*
4. Provide three references that we may contact where you provide investment management services and employ a philosophy which you have described above.
  - ***New Holland Borough – Lancaster County**  
J. Richard Fulcher: Borough Manager  
436 East Main Street New Holland, PA 17557-1404  
Phone: (717)- 354-4567  
Email: [jrf@newhollandborough.org](mailto:jrf@newhollandborough.org)*
  - ***Pequea Township – Lancaster County**  
Dawn Rineer: Treasurer  
1028 Millwood Road Willow Street, PA 17548-9375  
Phone: (717)- 354-4567  
Email: [treasurer@pequeatwp.org](mailto:treasurer@pequeatwp.org)*
  - ***Susquehanna Regional Police – Lancaster County**  
Anthony (AJ) Hall: Police Chief and Pension Administrator  
188 Rock Point Road Marietta, PA 17547-9786  
Phone: (717)- 426-1162  
Email: [halla@srbpd27.com](mailto:halla@srbpd27.com)*
5. Confirm that your base services include preparation of an investment policy and list the key components of the policy.
  - *We provide a template investment policy statement that can be modified to fit the needs of the Township.*

6. Will you state in writing that you will act as a fiduciary of our investment program?
- *Voya acts as a 3-21 fiduciary for defined contribution clients. What this means is that all the available investments in the contract have been reviewed and are approved as appropriate investment accounts for defined contribution plans. Because the participants are directing their own investment accounts that is all the fiduciary oversight that is necessary.*
7. Describe your proposal regarding custodial services. Include a description of how monthly payments and lump sums are issued, including tax withholding and submission, as well as tax reporting to IRS and to retirees.
- *Voya acts as custodian for the assets in the plan, payments are automatically deducted from participant accounts each month. The Township has an option to pay for some of the expenses or these expenses can be totally passed onto the participants.*
  - *Each participant's tax situation is different and upon withdrawal they can direct Voya regarding the amount to be withheld. The form 1099 R will be issued for any withdrawals. Participant statements will outline the different expenses along with any fees that are deducted.*
8. Do you have experience with "daily valuation participant choice defined contribution plans"? Are you open to discussion of options with Clay Township in the future?
- *Voya updates account balances, transfers, rate of return and vesting calculations at the close of business each day. We are open to discussion about which parameters the Township would like include.*

#### Actuarial Services

1. How many years has the firm been providing actuarial services to Pennsylvania municipalities?
- *We have provided & continue to provide actuarial services to Defined Contribution clients since inception.*
  - *Actuarial services for our 75+ Defined Benefit plans are subcontracted through Foster-Foster Actuaries & Consultants.*
    - *1136 W. Hamilton St. (Suite 103)  
Allentown, PA 18101*
2. How many Pennsylvania municipal retirement plans is the firm currently providing actuarial services?
- *As stated above, we provide actuarial services for our Defined Contribution clients. Foster-Foster provides actuarial services for over 300 municipal entities.*

3. Describe your knowledge and experience with Act 205 and Act 600.
  - *We are extremely knowledgeable with all aspects of Act 205 and Act 600. We also value our relationship forged with the Auditor General's office and their Department of Municipal Pensions. By keeping an open/ongoing line of communication with their office we allow our company to stay up to date on the ever-changing landscape of Municipal Pensions.*
  
4. Describe the number of actuaries from the firm that provide actuarial services to PA municipal retirement plans.
  - *We will not rely on Foster-Foster's Actuaries & Consultants to administer the actuarial service on this plan, we will handle these procedures. Foster-Foster employs multiple actuaries in their Allentown office.*
  
5. Provide three references that we may contact where you provide Act 205 actuarial services.
  - *Same as listed above in question 4 of the Investment policy and philosophy section.*

# Application (continued)

## Fees

1. Please identify all fees for all services requested in this RFP. These fees should include both direct and indirect fees, whether paid to you or to another entity. Please specify in terms of both dollar amounts and percent of asset fees. Complete the following chart, which includes the fee column (express as both dollar amount and % of assets) and the explanation column, where we are looking for a complete explanation as to how the fee in that category is being calculated.

ANNUAL/ONGOING \$XX		
Portfolios(s)		
Description	Fee	Explanation
Custodian Direct cost for custodial services	1.02% /\$3,672.00	This is a percentage of total assets.
Investment Advisory Direct cost for investment advisory services	.5% / \$1,800.00	This is a percentage of total assets.
Mutual Fund Expenses Individual mutual fund fees	%/ \$	This is the dollar weighted average expense ratio based on the assets that will be placed in mutual funds.
Investment Expenses Fees for underlying investments outside of mutual funds (separate account manager fees, etc.)	.27% / \$970.00	This is the dollar weighted average expense based on the assets placed in separate accounts.
Annual Actuarial/ Administration	Included	
<b>TOTAL ANNUAL FEES</b>	<b>1.79% /\$6,442.00</b>	This represents the total "all in" fee.

2. Do you receive any direct or indirect compensation from investment product providers?
  - *No, we do not receive any compensation directly from investment product providers.*
3. Describe any limits on the above services and any additional fees that the plans may incur for other potential services.
  - *We do not charge for the phone call or email. We offer an optional Pension Audit Service where we compile necessary documents and make hard copies so when the state audits your plan you will have all pertinent documentation organized and on hand for the auditor. We intervene on your behalf to provide any necessary documentation to the auditor to take the burden off the Township. If there are any observations / findings we will work with the Auditor General's office to find a resolution.*

# Submission of Proposals

Bidders should submit their proposals to:

**Clay Township**  
870 Durlach Road  
Stevens, PA 17578

Proposals must be received by 4:00 PM on June 14, 2023.

No exceptions to this deadline will be allowed unless the Township extends the deadline, whereupon it will notify recipients of the RFP. You should submit 4 copies of your proposal.

Proposals become the property of Clay Township upon submission and will not be returned.

All costs for developing proposals are entirely the responsibility of the submitting firm and shall not be chargeable to Clay Township. Clay Township accepts no responsibility for lost or late delivery of proposals.

Questions about the Request for Proposal must be submitted in writing by email or mail no later than June 8, 2023.

# Evaluation Criteria

Clay Township will review all written proposals submitted by the deadline. Should the Township decide, it may conduct interviews of selected candidates. The Township Board of Supervisors will make the final selection. Candidates will be evaluated using the following criteria.

- Responder's History and Organization
- Investment Policy and Philosophy
- Actuarial Services
- Fees

# Miscellaneous Provisions

The Township Board of Supervisors reserves the right to cancel this RFP at any time and to reject any and all proposals submitted in response to this RFP, if the Board determines such action or actions to be in the best interest of the membership of the pension plans.

The Township also reserves the right to request clarification of any submission, modify or alter the Scope of Services and solicit new submissions, reject any or all submissions, and wave immaterial irregularities in any submission.



**ACT 44 DISCLOSURE FORM FOR ENTITIES PROVIDING  
PROFESSIONAL SERVICES TO THE  
CLAY TOWNSHIP(MUNICIPALITY) MUNICIPAL PENSION PLAN**

CHAPTER 7-A OF ACT 44 OF 2009 MANDATES the annual disclosure of certain information by every entity (hereinafter “Contractor”) which is a party to a professional services contract with one or more of the pension funds of the above municipality (hereinafter the “Requesting Municipality”). Act 44 disclosure requirements apply to Contractors who provide professional pension services and receive payment of any kind from the Requesting Municipality’s pension fund. The Contractor believes we fall under the requirements of Act 44 and therefore, we are submitting the attached disclosure form.

## DEFINITIONS FOR DISCLOSURE

TERM:	DEFINITION:
<b>CONTRACTOR</b>	Any person, company, or other entity that receives payments, fees, or any other form of compensation from a municipal pension fund in exchange for rendering professional services for the benefit of the municipal pension fund.
<b>SUBCONTRACTOR OR ADVISOR</b>	Anyone who is paid a fee or receives compensation from a municipal pension system – directly or indirectly from or through a contractor.
<b>AFFILIATED ENTITY</b>	Any of the following: <ol style="list-style-type: none"> <li>1. A subsidiary or holding company of a lobbying firm or other business entity owned in whole or in part by a lobbying firm.</li> <li>2. An organization recognized by the Internal Revenue Service as a tax-exempt organization under section 501(c) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 501 (c) ) established by a lobbyist or lobbying firm or an affiliated entity.</li> </ol>
<b>CONTRIBUTIONS</b>	As defined in section 1621 of the act of June 3 <sup>rd</sup> , 1937 (P.L. 1333, No. 320), known as the Pennsylvania Election Code
<b>POLITICAL COMMITTEE</b>	As defined in section 1621 of the act of June 3 <sup>rd</sup> , 1937 (P.L. 1333, No. 320), known as the Pennsylvania Election Code
<b>EXECUTIVE LEVEL EMPLOYEE</b>	<b>Any employee or person or the person's affiliated entity who:</b> <ol style="list-style-type: none"> <li>1. Can affect or influence the outcome of the person's or affiliated entity's actions, policies, or decisions relating to pensions and the conduct of business with a municipality or a municipal pension system; or</li> <li>2. Is directly involved in the implementation or development policies relating to pensions, investments, contracts or procurement or the conduct of business with a municipality or municipal pension system.</li> </ol>
<b>MUNICIPAL PENSION SYSTEM</b>	Any qualifying pension plan, under Pennsylvania state law, for any municipality within the Commonwealth of Pennsylvania; includes the Pennsylvania Municipal Retirement System.
<b>PROFESSIONAL SERVICES CONTRACT</b>	A contract to which the municipal pension system is a party that is: (1) for the purchase of professional services including investment services, legal services, real estate services, and other consulting services; and, (2) not subject to a requirement that the lowest bid be accepted.

## IDENTIFICATION OF CONTRACTORS & RELATED PERSONNEL

**CONTRACTORS:** (See “Definitions” – page 2) Any entity who currently provides service(s) by means of a Professional Services Contract to the Municipal Pension Plan of the Requesting Municipality, please complete all of the following:

**Identify the Municipal Pension plan(s) for which you are providing information:**

- **CLAY TOWNSHIP NON-UNIFORMED PENSION PLAN  
LANCASTER COUNTY**

1. Please provide the names and titles of all individuals providing professional services to the Requesting Municipality’s pension plan(s) identified above. Also include the names and titles of any advisors and subcontractors of the Contractor, identifying them as such. After each name provide a description of the responsibilities of that person with regard to the professional services being provided to each designated pension plan.

- **Kevin Hall: Pension Administrator & Client Service Representative**  
*(Day-today contact @ the R.J. Hall Company, Inc.)*  
*FINRA: Series 6 and 63*
- **Rob Lutz, Jr.: Pension Administrator & Client Service Representative**  
*\*\*Former Auditor for the Dept. of the Auditor General for Municipal Pensions\*\**  
*(Day-today contact @ the R.J. Hall Company, Inc.)*  
*FINRA: Series 6 and 63*

2. Please list the name and title of any *Affiliated Entity* and their *Executive-level Employee(s)* that require disclosure; after each name, include a brief description of their duties. (See: Definitions)

- **NONE**

3. Are any of the individuals named in Item 1 or Item 2 above, a current or former official or employee of the Requesting Municipality? IF “YES”, provide the name and of the person employed, their position with the municipality, and dates of employment.

- **NO**

4. Are any of the individuals named in Item 1 or Item 2 above a current or former registered Federal or State lobbyist? IF “YES”, provide the name of the individual, specify whether they are a state or federal lobbyist, and the date of their most recent registration /renewal.

- **NO**

**NOTICE:** All information provided for items 1- 4 above must be updated as changes occur.

5. Since December 17<sup>th</sup> 2009, has the *Contractor* or an *Affiliated Entity* paid compensation to or employed any third party intermediary, agent, or lobbyist that is to directly or indirectly communicate with an official or employee of the *Municipal Pension System* of the Requesting Municipality (OR), any municipal official or employee of the Requesting Municipality in connection with any transaction or investment involving the *Contractor* and the *Municipal Pension System* of the Requesting Municipality?

This question does not apply to an officer or employee of the *Contractor* who is acting within the scope of the firm's standard professional duties on behalf of the firm, including the actual provision of legal, accounting, engineering, real estate, or other professional advice, services, or assistance pursuant to the professional services contact with municipality's pension system.

IF "YES", identify: (1) whom (the third party intermediary, agent, or lobbyist) was paid the compensation or employed by the *Contractor* or *Affiliated Entity*, (2) their specific duties to directly or indirectly communicate with an official or employee of the *Municipal Pension System* of the Requesting Municipality (OR), any municipal official or employee of the Requesting Municipality, (3) the official they communicated with, and (4) the dates of this service.

▪ *NO*

6. Since December 17<sup>th</sup> 2009, has the *Contractor*, or any agent, officer, director or employee of the *Contractor* solicited a contribution to any municipal official or candidate for municipal office in the Requesting Municipality, or to the political party or political action committee of that official or candidate?

IF "YES", identify the agent, officer, director or employee who made the solicitation and the municipal officials, candidates, political party or political committee who were solicited (to whom the solicitation was made).

▪ *NO*

7. Since December 17<sup>th</sup>, 2009: Has the *Contractor* or an *Affiliated Entity* made any contributions to a municipal official or any candidate for municipal office in the Requesting Municipality?

IF "YES", provide the name and address of the person(s) making the contribution, the contributor's relationship to the *Contractor*, the name and office or position of the person receiving the contribution, the date of the contribution, and the amount of the contribution.

▪ *NO*

8. Does the *Contractor* or an *Affiliated Entity* have any direct financial, commercial or business relationship with any official of the Requesting Municipality?

IF "YES", identify the individual with whom the relationship exists and give a detailed description of that relationship. A written letter is required from the Requesting Municipality acknowledging the relationship and consenting to its existence. The letter must be attached to this disclosure. Contact the Requesting Municipality to obtain this letter and attach it to this disclosure before submission.

▪ *NO*

9. Has the *Contractor* or an *Affiliated Entity* given any gifts having more than a nominal value to any official, employee or fiduciary of the Requesting Municipality?

IF "YES", provide the name of the person conferring the gift, the person receiving the gift, the office or position of the person receiving the gift, specify what the gift was, and the date conferred.

▪ *NO*

10. Disclosure of contributions to any political entity in the Commonwealth of Pennsylvania Applicability: A "yes" response is required, and full disclosure is required ONLY WHEN ALL of the following applies:

- a) The contribution was made within the last 5 years.
- b) The contribution was made by an officer, director, executive-level employee or owner of at least 5% of the *Contractor* or *Affiliated Entity*.

- c) The amount of the contribution was at least \$500 and in the form of:
  - 1. A single contribution by a person in (b) above, OR
  - 2. The aggregate of all contributions to all persons in (b) above.
- d) The contribution was for:
  - 1. Any candidate for any public office or any person who holds an office in the Commonwealth of Pennsylvania.
  - 2. The political committee of a candidate for public office or any person that holds an office in the Commonwealth of Pennsylvania.

IF "YES", provide the name and address of the person(s) making the contribution, the contributor's relationship to the *Contractor*, the name and office or position of the person receiving the contribution (or the political entity / party receiving the contribution), the date of the contribution, and the amount of the contribution.

- *NO to all of the above in question 10.*

11. With respect to your provision of professional services to the Municipal Pension System of the Requesting Municipality:

Are you aware of any apparent, potential, or actual conflicts of interest with respect to any officer, director or employee of the *Contractor* and officials or employees of the Requesting Municipality?

NOTE: If, in the future, you become aware of any apparent, potential, or actual conflict of interest, you are expected to update this Disclosure Form immediately in writing by:

- Providing a brief synopsis of the conflict of interest (and);
- An explanation of the steps taken to address this apparent, potential, or actual conflict of interest.

IF "YES", Provide a detailed explanation of the circumstances which provide you with a basis to conclude that an apparent, potential, or actual conflict of interest may exist.

- *NO*

12. To the extent that you believe that Chapter 7-A of Act 44 of 2009 requires you to disclose any additional information beyond what has been requested above, please provide that information below or on a separate piece of paper.

- *NONE*

## **List of Municipal Officials for the Requesting Municipality**

Certain requests for information in this form will refer to a **“List of Municipal Officials.”** To assist you in preparing your answers, you should consider the following names to be a complete list of pensions system and municipal officials and employees. Throughout this Disclosure Form, the below names will be referred to as the **“List of Municipal Officials.”**

### **Elected Officials:**

**Timothy E. Lausch, Chairman**  
**A. Keith Martin, Vice Chairman**  
**Gary Landis, Secretary**

### **Appointed Officials or Employees:**

**Bruce R. Leisey, Township Manager**

# VERIFICATION

I, Kevin Hall, hereby state that I am a Pension Administrator & Client Service Representative for the Contractor and I am authorized to make this verification.

I hereby verify that the facts set forth in the foregoing Act 44 Disclosure Form for Entities Providing Professional Services to Clay Township are true and correct to the best of my knowledge, information and belief. I also understand that knowingly making material misstatements or omissions in this form could subject the responding Contractor to the penalties in Section 705-A(e) of Act 44.

I understand that false statements herein are made subject to the penalties of 18 P.A.C.S. § 4904 relating to unsworn falsification to authorities.

*Kevin Hall*

\_\_\_\_\_  
Signature

6/12/23

\_\_\_\_\_  
Date

### Clay Township - Lancaster Co.

Investment Option Name	Ticker <sup>1</sup>	Morningstar Category	Mstar Rating <sup>2</sup>	Data as of 03/31/2023				Net Exp Ratio
				1 Yr	3 Yr	5 Yr	10 Yr	
<b>Stability of Principal</b>								
Voya Fixed Account	-	Guaranteed Account	-	1.05	1.02	1.01	1.08	-
<b>Bonds</b>								
Dodge & Cox Income Fund - Class X	DOXIX	Intermediate Core-Plus Bond	5	-2.92	0.17	1.96	2.36	0.33%
DFA Inflation-Protected Securities I	DIPSX	Inflation-Protected Bond	3	-6.03	1.84	3.05	1.44	0.11%
PGIM High Yield R6	PHYQX	High Yield Bond	4	-4.40	6.14	3.44	4.37	0.38%
Dodge & Cox Global Bond Fund - Class X	DOXLX	Global Bond	5	0.08	4.52	3.03	-	0.37%
<b>Lifestyle</b>								
Vanguard LifeStrategy Income Inv	VASIX	Allocation~15% to 30% Equity	3	-5.11	0.89	2.16	3.00	0.11%
Vanguard LifeStrategy Cnsvr Gr Inv	VSCGX	Allocation~30% to 50% Equity	3	-5.55	4.62	3.55	4.59	0.12%
Vanguard LifeStrategy Moderate Gr Inv	VSMGX	Allocation~50% to 70% Equity	3	-6.05	8.35	4.82	6.09	0.13%
Vanguard LifeStrategy Growth Inv	VASGX	Allocation~70% to 85% Equity	4	-5.11	0.89	2.16	3.00	0.14%
<b>Lifecycle</b>								
MyCompass American Funds 2010 Fund - Fee Class R CIT	WMCAV	Target-Date 2000-2010	-	-2.79	-	-	-	0.21%
MyCompass American Funds 2015 Fund - Fee Class R CIT	WMCAW	Target-Date 2015	-	-2.00	-	-	-	0.23%
MyCompass American Funds 2020 Fund - Fee Class R CIT	WMCAZ	Target-Date 2020	-	-1.53	-	-	-	0.24%
MyCompass American Funds 2025 Fund - Fee Class R CIT	WMCAZ	Target-Date 2025	-	-2.40	-	-	-	0.26%
MyCompass American Funds 2030 Fund - Fee Class R CIT	WMCBA	Target-Date 2030	-	-3.91	-	-	-	0.30%
MyCompass American Funds 2035 Fund - Fee Class R CIT	WMCBB	Target-Date 2035	-	-5.36	-	-	-	0.35%
MyCompass American Funds 2040 Fund - Fee Class R CIT	WMCBC	Target-Date 2040	-	-5.95	-	-	-	0.40%
MyCompass American Funds 2045 Fund - Fee Class R CIT	WMCBD	Target-Date 2045	-	-6.09	-	-	-	0.41%
MyCompass American Funds 2050 Fund - Fee Class R CIT	WMCBE	Target-Date 2050	-	-6.46	-	-	-	0.42%
MyCompass American Funds 2055 Fund - Fee Class R CIT	WMCBF	Target-Date 2055	-	-6.70	-	-	-	0.42%
MyCompass American Funds 2060 Fund - Fee Class R CIT	WMCBG	Target-Date 2060	-	-6.60	-	-	-	0.42%
MyCompass American Funds 2065 Fund - Fee Class R CIT	WMCBH	Target-Date 2065+	-	-6.10	-	-	-	0.42%
<b>Balanced</b>								
American Funds American Balanced R6	RLBGX	Allocation~50% to 70% Equity	4	-5.57	9.83	6.69	8.17	0.25%
<b>Large Cap</b>								
Vanguard Equity-Income Adm	VEIRX	Large Value	4	-3.21	18.13	9.01	10.37	0.19%
TIAA-CREF Social Choice Equity Fund - Institutional Class	TISCX	Large Blend	3	-6.87	18.53	10.51	11.27	0.17%
Fidelity® 500 Index	FXAIX	Large Blend	5	-7.74	18.59	11.18	12.23	0.02%
JPMorgan U.S. GARP Equity Fund - Class R6 Shares	JGISX	Large Growth	3	-9.40	18.17	11.41	13.50	0.34%
<b>Mid Cap</b>								
Vanguard Selected Value Inv	VASVX	Mid-Cap Value	3	-2.98	28.00	7.28	9.34	0.32%
Fidelity® Mid Cap Index	FSMDX	Mid-Cap Blend	4	-8.74	19.19	8.06	10.05	0.03%
Neuberger Berman Mid Cap Growth R6	NRMGX	Mid-Cap Growth	3	-11.71	14.21	8.23	10.44	0.59%
<b>Small Cap</b>								
DFA US Targeted Value I	DFVX	Small Value	4	-3.59	31.63	7.72	9.16	0.29%
Fidelity® Small Cap Index	FSSNX	Small Blend	3	-11.41	17.60	4.81	8.20	0.03%
Vanguard® Explorer™ Fund - Admiral™ Shares	VEYRX	Small Growth	4	-9.16	19.75	9.15	11.08	0.29%
<b>Specialty</b>								
DFA Real Estate Securities I	DFREX	Real Estate	4	-19.42	10.17	6.57	6.46	0.18%
<b>Global/International</b>								
Fidelity® International Index Fund	FSPSX	Foreign Large Blend	4	-0.18	13.41	3.64	5.16	0.04%
American Funds New World R6	RNWGX	Diversified Emerging Mkts	5	-6.09	12.18	4.10	5.50	0.57%
American Funds New Perspective R6	RNPGX	Global Large-Stock Growth	5	-8.85	16.61	9.35	10.70	0.41%

Please Read Important Disclosure on Page 2 of This Document

**Arithmetic Average<sup>3</sup>: 0.27%**

*For plan sponsor and Financial Professional use only. Not for use with participants. The performance data quoted is past performance. Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than performance data quoted. You may obtain performance data current to the most recent month-end by calling Voya.*



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<sup>1</sup>Ticker symbols and ticker-related information should not form the sole basis for reaching an investment decision. Ticker symbols represent funds contained in a funding agreement or variable annuity product. Accordingly, product performance will differ from fund performance. This performance difference is attributable to additional, product-level charges and accounting methods associated with the annuity contract/funding agreement.

<sup>2</sup>The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its three, five and ten year (if applicable) Morningstar Rating metrics. Morningstar rates investments from one to five stars based on how well they've performed (after adjusting for risk and accounting for all relevant sales charges) in comparison to similar investments. Within each Morningstar Category, the top 10% of investments receive five stars, the next 22.5% four stars, the middle 35% three stars, the next 22.5% two stars, and the bottom 10% receive one star. Investments are rated for up to three time periods - 3, 5, and 10 years, and these ratings are combined to produce an overall rating. Investments with less than three years of history are not rated.

<sup>3</sup> The current arithmetic average is calculated by taking the sum of the expense ratio of each current fund and dividing by the total number of current funds. The Voya arithmetic average is calculated by taking the sum of the expense ratio of each Voya fund and dividing by the total number of Voya funds.

<sup>4</sup>The current weighted average is calculated by the following steps: 1) Current asset allocation of each current fund multiplied by that fund's expense ratio. The result is a dollar cost. 2) Sum all of the products from step 1 to find the total dollar cost of current funds. 3) Divide total dollar cost of all current funds by total assets allocated to current funds. The Voya weighted average is calculated by the following steps: 1) Asset allocation of each Voya fund multiplied by that fund's expense ratio. The result is a dollar cost. 2) Sum all of the products from step 1 to find the total dollar cost of Voya funds. 3) Divide total dollar cost of all Voya funds by total assets allocated to Voya funds. The difference illustrated is the cost of the current plan funds (current weighted average) versus the cost of the Voya funds (Voya weighted average).

The returns used in evaluating the investment options do not reflect the fees and expenses charged by VOYA's separate account products. Due to the number of VOYA products and the difference between sets of fees and expenses, no single set of SEC standardized returns would be applicable to all products. The returns are net of "fund level" expenses only and are provided with the understanding that this is for due diligence purposes of reviewing investment management results. Past performance is not a guarantee of future results.

This presentation is not complete without a Plan Proposal document. If you have not received a Plan Proposal, please contact your Financial Advisor/Consultant or a VOYA Representative. The Plan Proposal contains important information regarding the features and costs of the program. You should compare this information to your current program to make an informed decision regarding your potential change in retirement plan provider. **You should consider the investment objectives, risks and charges and expenses of the variable product and its underlying fund options carefully before investing. The disclosure booklet contains this and other information. To obtain a free copy of the fund prospectuses you may call your VOYA representative or (800-584-6001). Please read the disclosure material carefully before investing.**

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