



Board Governance Consultant Services

State Teachers
Retirement
System of Ohio

August 18, 2023



Experience



Knowledge



Customized Approach



Dedication

Agenda

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1

Introductions: Meet the Team



Introduction to Aon: Fiduciary Services Practice Team



Julie Becker
Partner

Fiduciary Services Practice

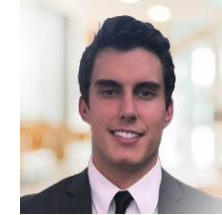
- Licensed attorney for over 28 years
- 25 years of industry experience
- General Counsel for the Ohio Public Employees Retirement System for 16 years
- Co-Chair of the National Association of Public Pension Attorneys Fiduciary & Plan Governance Committee



Benita Harper
Associate Partner

Fiduciary Services Practice Member

- Licensed attorney for 31 years
- Former General Counsel and Executive Director for the Fort Worth Employees' Retirement Fund
- Member of National Association of Public Pension Attorneys Fiduciary & Plan Governance Committee and Cyber Security Committee



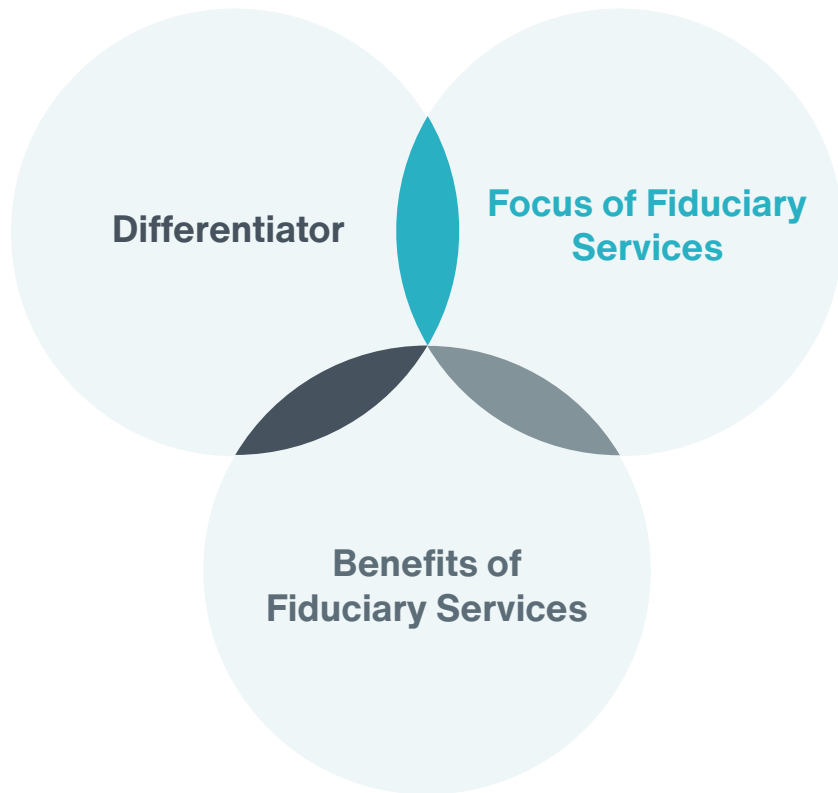
David Forman, CFA
Consulting Analyst

Fiduciary Services Practice Member

- Provides research and support to the Fiduciary Services Team, including governance and project work
- Chartered Financial Analyst (CFA)

As of 7/31/2023

Aon's Fiduciary Services Practice



- Aon's Fiduciary Services helps boards/committees and staff to design a governance framework of prudent processes which are aimed at assisting them in complying with their fiduciary obligations.
 - Fiduciary Services routinely compares an organization's practices to industry common and best practices. Such knowledge is essential to fiduciaries so they can make informed decisions.
-
- Distinct practice fosters a culture of fiduciary standards awareness and the importance of "good governance."
 - Provides access to a full menu of fiduciary and governance services to a broad spectrum of institutional investors and internally to our investment colleagues.
-
- Assists clients in understanding their fiduciary responsibilities and the value of good governance.
 - Tangible and intangible benefits often include: adoption of "good governance" practices, implementation of risk mitigation tools, enhanced stakeholder confidence.

Who We Are: Relevant Experience

The Team's Relevant Experience Includes:

- Providing governance advice and refinements to existing policies and procedures, and making customized recommendations based on the specific circumstances of each client
- Developing customized governance policies and procedures
- Assisting with the development of board and committee charters
- Performing fiduciary audits and governance reviews
- Facilitating board self-evaluations, executive director and CIO evaluations, as well as consultant/service provider evaluations
- Creating and facilitating new trustee orientation training
- Providing fiduciary and governance education
- Strategic planning
- Succession planning
- Serving as a trusted advisor on the practices of institutional investors



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Representative List of Public Funds



Fiduciary Services' Experience with Public Funds



Representative List of Public Fund Clients We Have Worked For-Past 5 Years

- City of Los Angeles-LACERS & LAFPP
- Kentucky Teacher's Retirement System
- Kern County Employees' Retirement Association
- Minnesota State Board of Investment
- Nebraska Investment Council
- New Jersey State Investment Council
- New York State Teachers' Retirement System
- North Carolina Department of State Treasurer
- Ohio Retirement Study Council
- Oregon State Treasury
- Teacher's Retirement System of the State of Illinois
- Teacher Retirement System of Texas
- Vermont Pension Investment Committee
- Virginia Retirement System

Representative Client list as of most recent quarter-end. Inclusion in this list does not represent a recommendation or endorsement of Firm's products and/or services, nor are they exclusively representative of the product(s) discussed herein. Clients included in this list are the institutional clients which have provided written consent to Firm to be named in marketing materials. It is not known whether all clients listed above approve or disapprove of ACI or the fiduciary services provided.

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Discussion of Our Response
to Your RFP



Methodology for Board Governance Consulting Services



Overall Governance Structure Advice/Documentation



Board Policies/Fiduciary Audit Recommendations



Additional Governance Policies



Annual Board Assessment



Board Continuing Education Plan



Meeting attendance



Working with STRS Ohio Board of Trustees

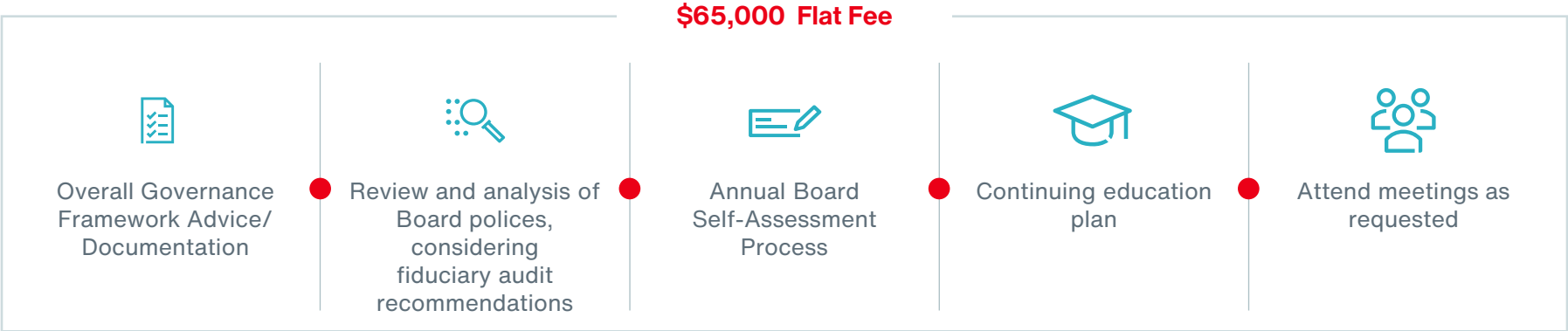


Ongoing Governance Services/Special Projects



Proposed Fee

Our fee is based upon our extensive experience providing comparable board governance services. If we have overestimated or underestimated the services you seek, we can adjust our approach and fees accordingly.



For ad hoc governance services/special projects, Aon would work with STRS Ohio to determine the scope and cost of such projects at a negotiated flat fee or a blended hourly rate of \$600.



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Why Aon



Why Aon?



**Experience – Senior Level,
Tenured Team**



**Deep Knowledge –
Practitioners Lead Team;
Understands Public Fund
Issues and Solutions –
What Works and What
Might Not**



**Customized Approach –
Ability to Translate Best
Practices From a Wide-
Range of Sources for the
Benefit of STRS Ohio**



**Our Dedication –
We Care About You
and Your Success**



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Questions



THANK YOU



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Presentation of Qualifications for Board Governance Consultant

State Teachers Retirement of System of Ohio

August 18, 2023



Ashley Dunning
Partner



Michelle McCarthy
Partner

Overview

- Introduction to Team
- Experience with
 - **Drafting Board Governance Policies/Manuals**
 - **Fiduciary Audits**
 - **Board Self-Assessments**
- Cost model (flat fees vs. hourly work)
- Firm's approach to scope of services

Ashley Dunning – Team Lead



- Partner, Co-Chair, Pensions, Benefits & Investments Group
 - More than 25 years providing fiduciary and governance advice to boards and staff of public retirement systems
 - Fiduciary advisor to over 25 public retirement plans
 - Past Chair of Fiduciary & Governance Section, and Past President of National Association of Public Pension Attorneys (NAPPA)
 - Corporate Advisory Member of National Conference on Teacher Retirement (NCTR)
 - Named a Top 100 Lawyer by *Daily Journal*, 2023, 2022, and 2020

Michelle McCarthy – Team Co-Lead



- Partner, Pensions, Benefits & Investments Group
 - More than 20 years experience serving as trustee-appointed advisor, providing fiduciary, governance and compliance advice, to some of the largest and highest-profile pension, health and welfare funds in the nation
 - Represents pension, health and welfare plans and their boards before regulatory agencies on matters pertaining to boards' compliance with fiduciary obligations and plan governance
 - Preparation, review and revision of board fiduciary and governance policies and procedures, assist boards and administrative staff with their implementation and oversight of plan documents, policies and procedures, and provide periodic fiduciary training

Aalia Taufiq – Primary Support



- Associate, Member, Pensions, Benefits & Investments Group
 - Over 6 years providing fiduciary governance services to public retirement systems nationally
 - Part of the Fiduciary Governance team working on policy development, evaluations, and presentations

Yuliya Oryol – Investment Policy Resource



- Partner, Co-Chair Pensions, Benefits & Investments Group
 - More than two decades of experience representing institutional investors and government agencies in a broad range of investment, corporate, and real estate matters
 - Provides oversight on issues related to investments and works with investment officers and in-house counsel on investment-related transactions
 - Extensive experience in representing investors in domestic and off-shore commingled vehicles, co-investments, joint ventures, strategic alliances, captive funds, funds of one, separate accounts, and secondary transactions

Nossaman Fiduciary Governance Clients

Partial List of **Fiduciary and/or Governance Consulting** Clients

- California Public Employees' Retirement System
- Colorado Public Employees' Retirement Association
- Kern County Employees' Retirement Association
- Los Angeles County Employees Retirement Association
- New York State Teachers' Retirement System
- Marin County Employees' Retirement Association
- San Diego County Employees' Retirement Association
- San Francisco City Employees' Retirement System
- San Joaquin County Employees' Retirement Association
- Ventura County Employees' Retirement Association

Cost Model

- Hours estimate breakdown, with billing based on actual hours at applicable rates of each service provider:
 1. Audit assessment/strategize implementation: 35-50 hours
 2. Board self-assessment: 35-50 hours
 3. Prepare/revise draft policies: 45-55 hours
 4. Prepare for and participate in two ad hoc committee meetings: 12-32 hours*
 5. Prepare for and present at two Board meetings (for self-assessment discussion and policy presentation): 12-32 hours*
- As an alternative to hourly rate billing, we offer a flat fee arrangement of **\$94K-\$120K** total, broken down as follows:
 1. Audit assessment/strategize implementation: \$25,000
 2. Board self-assessment: \$25,000
 3. Prepare/revise draft policies: \$30,000
 4. Prepare for and participate in two ad hoc committee meetings: \$7,000 or \$20,000*
 5. Prepare for and present at two Board meetings (for self-assessment discussion and policy presentation): \$7,000 or \$20,000*

* For items 4 & 5, the lower hours estimate and flat fees anticipate virtual (not in-person) presentations by the Team Lead and Co-Lead. The higher hours and flat fees anticipate in-person attendance by the Team Lead and virtual attendance by the Team Co-Lead at a total of four meetings. Actual travel costs would be billed separately. All other meetings on this project are anticipated to occur through a virtual platform.

Firm's Approach to Providing Services

1. Assess prior fiduciary audit and develop priorities for implementation in consultation with client (Board and staff representatives)
2. Begin Board self-assessment to generate approach to potential policy and other administrative improvements
3. Develop proposed policies for consideration and/or revisions in consultation with ad hoc committee of Board and staff
4. Present recommendations to ad hoc committee of Board and staff
5. Present recommendations to full Board