



## INVESTMENT CONSULTING AGREEMENT

This investment consulting agreement ("Agreement") is made and effective on this 19<sup>th</sup> day of June, 2017 between,

PLAN SPONSOR: Town of Canton whose mailing address is 4 Market Street  
PLAN NAME Town of Canton OPEB Trust Collinsville, CT 06022

(hereinafter referred to as "you" or "your"), and Fiduciary Investment Advisors, LLC, a federally registered investment adviser, whose mailing address is 100 Northfield Drive, Windsor, CT 06095 (hereinafter referred to as "us," "we," or "our").

- 1. Scope of Engagement.** You hereby appoint us as your adviser to perform the consulting services described in Exhibit A ("Services"). When performing our Services under this Agreement, we are neither your attorneys nor your accountants and no portion of our Services is to be regarded as legal or accounting advice. We recommend that you seek the advice of an attorney and accountant. The scope of our Services can only be modified by a written amendment signed by authorized officers of you and us. If, as a courtesy, we from time to time provide services beyond the agreed Services, that fact does not amend this Agreement. We do not serve as your investment manager or as a transaction manager.
- 2. Consulting Fee.** Our Consulting Fee for our Services shall consist of: A) an annual fee of \$3,500, billed on a quarterly basis in arrears. The Consulting Fee may include, to the extent directed by you, the receipt of ERISA budget, administrative budget and/or shareholder servicing fees to offset a portion of our annual fee. Other than this annual fee, we shall not receive any other compensation in conjunction with our Services under this Agreement. There may be additional fees incurred by the Plan for Plan-related services that are not provided by FIA, including Plan administration, professional services (i.e., accounting and legal), and Plan custody. The cost of any such other Plan-related service(s) is not included as part of FIA's compensation. In the event that this Agreement is terminated, the Consulting Fee due will be calculated on a pro-rata basis through the date of termination. Instructions for payment of our Consulting Fee are outlined in Exhibit A.
- 3. Discretion.** You will retain absolute discretion over all investment and implementation decisions, including asset allocation, selection of managers, investment vehicles, trustees, and all other advisers, and the timing and substance of all movement of funds. You acknowledge that we have no discretionary authority or control.
- 4. Risk Acknowledgement.** We do not guarantee the future performance of your account for which we provide Services (the "Account") or any specific level of performance. You understand that our investment recommendations for your Account and those of any independent manager are subject to various market, currency, economic, political and business risks, and that investment decisions are not always profitable. You also acknowledge we obtain information from a wide variety of publicly available sources and certain private sources, that the advice given is based on that information and that we cannot guarantee the accuracy or validity of the data upon which our analysis or recommendations are based.
- 5. Adviser Liability.** Except as otherwise provided by law, neither we nor any of our employees, affiliates, representatives or agents shall be liable for (a) any loss that you may suffer by reason of any decision made or other action taken or omitted in good faith by us with that degree of care, skill, prudence, and diligence under the circumstances that a person acting in a fiduciary capacity would use, (b) any loss arising from our adherence to your written or oral instructions or designated investment objectives, including, but not limited to, any written Investment Policy Statement, (c) any act or failure to act by the custodian, any broker-dealer to which we direct Account transactions, or any other third party, (d) any loss that you may suffer by reason of any decision made or other action taken by any independent manager, or (e) any damages in excess of three times the consulting fee paid to us with respect to the pertinent work. The federal and state securities laws impose liability under certain circumstances on persons who act in good faith; this Agreement does not waive or limit any rights that you may have under those laws.
- 6. Securities Transactions.** You acknowledge and agree that you are solely responsible for issuing any instructions and implementing any transactions that may be necessary or appropriate in order to make any changes that we may recommend in light of your objectives and policies, performance of your investment managers, and such other market conditions and factors that we deemed relevant. You understand and agree that our duties and responsibilities under this Agreement do not include acting as your agent in connection with: (a) establishing or terminating client accounts with investment managers, (b) providing any types of instructions to custodians, (c) providing investment or withdrawal instructions to any person or entity, (d) providing or relaying wire transfer or payment instructions relating to the settlement of transactions, or (e) advising on or voting proxies on your behalf. We shall not be liable to you for any failure relating to the issuance, delivery, timeliness, accuracy or completeness of instructions as to securities transactions approved by you in connection with any Account changes. You are responsible for verifying the issuance, timeliness, delivery, completeness, and accuracy of all instructions to third parties and for directly communicating any instructions to appropriate parties. We are not authorized to initiate transactions on your behalf nor can we assume responsibility for untimely, inaccurate, or incomplete information. You understand that recommended purchase and sale transactions are not necessarily performed simultaneously and that implementation of investment decisions may result in sale proceeds and/or cash being uninvested for some period of time. Our Services do not include analyzing and minimizing the short-term effects that may accompany the implementation of recommended Account changes, or advising on or voting on proxies.
- 7. Custodian.** Plan investment assets shall be held by an independent custodian, not FIA. The independent custodian and/or third party administrator shall provide the Plan and/or its participants with periodic investment reports regarding Plan assets and/or the underlying individual participant accounts.
- 8. Confidentiality.** Except as required by applicable law, rule or regulation, or in order to implement your investment objectives or to perform the Services, both parties agree to treat information provided in connection with this Agreement as confidential.
- 9. Receipt of Disclosures.** You hereby acknowledge receipt of our Privacy Policy Notice and a copy of our written disclosure statement as set forth in Part II of Form ADV (Uniform Application for Investment Adviser Registration) or otherwise meeting the requirements of Rule 204-3 of the Advisers Act.
- 10. Electronic Delivery.** You authorize us to deliver, and you agree to accept, all required regulatory notices and disclosures via electronic mail and/or via the FIA client portal, as well as all other correspondence from us. We shall have completed all delivery requirements upon the forwarding of such document, disclosure, notice and/or correspondence to your last provided email address (or upon advising you via email that such document is available on the portal).
- 11. Arbitration.** Subject to the conditions and exceptions noted below and to the extent not inconsistent with applicable law, in the event of any controversy, dispute or claim arising out of or relating to this Agreement, both parties agree to submit the dispute to arbitration before a single arbitrator in accordance with the Commercial Rules of the American Arbitration Association then in effect. The prevailing party shall be entitled to reasonable attorneys' fees and to costs. The venue (i.e. location) for any such arbitration proceeding shall be the City of Hartford, State of Connecticut. You understand that this agreement to arbitrate does not constitute a waiver of your right to seek a judicial forum where such waiver would be void under federal or applicable state securities laws.
- 12. Non-Exclusivity.** You acknowledge and understand that we shall be free to render investment advice to others and that we do not make our services available exclusively to you. We (and our advisory affiliates, employees, representatives, and agents) may have or take the same or similar positions in specific investments for our own accounts, or for the accounts of other clients, as we do for you. Nothing in this Agreement shall put us under any obligation to

recommend for purchase or sale for the Account any security which we (or our advisory affiliates, employees, representatives, and agents) may purchase or sell for our own accounts or recommend for the account of any other client, unless in our sole determination, such investment would be in the best interest of the Account.

**13. Conflicts of Interest.** Other than as may be disclosed on our written disclosure statement, we are not subject to any conflicts of interest in conjunction with the services to be provided under this Agreement.

**14. Client Representations and Warranties.** You represent that you have the full legal power and authority to enter into this Agreement and that the terms of this Agreement do not violate any obligation or duty to which you are bound, whether arising out of contract, operation of law, or otherwise. If you are an entity (e.g., corporation, partnership, limited liability company, or trust), this Agreement has been duly authorized by the appropriate corporate or other action (which shall be provided upon request) and when so executed and delivered shall be binding in accordance with its terms.

**15. Retirement or Employee Benefit Plan Accounts.** If this is a retirement plan ("Plan") organized under the Employee Retirement Income Security Act of 1974 ("ERISA"), we represent that FIA is an investment fiduciary registered under The Investment Advisers Act of 1940 (but only with respect to the provision of services described in Exhibit A of this Agreement). The only source of compensation to us under this Agreement shall be the fee paid to us by the Plan (or Plan Sponsor). If assets under this Agreement contain only a part of the total Plan assets, you understand that FIA will have no responsibility for the diversification of all of the Plan assets, and that we will have no duty, responsibility or liability for Plan investments that are not part of this Agreement. The Plan has determined to retain responsibility for voting all Proxies. You acknowledge that the services to be provided by us do not constitute a certification or assertion that the Plan is compliant with ERISA.

**16. Fiduciary Status.** FIA is a limited scope "fiduciary" to the Plan as that term is defined under Section 3(21) of ERISA. Except for any assets contained within any specific asset allocation programs devised by us, we do not possess or exercise any discretionary authority over the Plan or any of its investment assets. Moreover, our fiduciary duty does not, and will not, extend to a participant's investment decision making process as to how he/she chooses to allocate any portion of his/her Plan assets among any Plan investment alternative, it being understood that the participant retains all such investment decision making authority and responsibility.

**17. Private Investments.** Investment in certain private investment funds involves various risk factors, including, but not limited to, potential for loss of principal and liquidity constraints, as more fully discussed in the fund offering documents, copies of which must be received and reviewed prior to reaching a decision to purchase an interest in any such fund. There are risks and potential negative consequences pertaining to an investment in such funds as disclosed in the offering documents; and you are fully prepared to accept any and all adverse consequences resulting from a decision to invest in any such fund. Accordingly, unless otherwise expressly prohibited by applicable securities laws, you hereby forever release and hold us and our officers and employees harmless with respect to any and all claims, losses, and/or damages (including but not limited to loss of principal) that might result from a purchase of a private fund.

**18. Assignment.** Neither party may assign this Agreement without the written consent of the other party. Both parties acknowledge and agree that transactions that do not result in a change of actual control of management shall not be considered an assignment.

**19. Severability.** If any provision of this Agreement is found to be invalid, unenforceable, or prohibited by applicable law, that provision shall be deemed severable and shall be inoperative where void or prohibited. The remaining provisions of this Agreement shall be valid and binding and of full force and effect.

**20. Term of Agreement and Termination.** This Agreement will continue in effect from the date set forth above and may be terminated at the close of any calendar quarter, upon delivery of sixty (60) days written notice by either party to the other, which written notice must be manually signed by the terminating party. Termination of this Agreement will not affect (a) the validity of any action previously taken by us under this Agreement; (b) liabilities or obligations of the parties from transactions initiated before termination of this Agreement; or (c) your obligation to pay us fees that have already been earned under this Agreement. Upon termination of this Agreement, we will not have any continuing obligation to take any action. We may amend this Agreement upon written notification to you. Unless you give written notice of rejection within thirty (30) days from the date of our notice, the amendment shall become effective.

**21. Governing Law, Venue, and Jurisdiction.** This Agreement supersedes and replaces, in its entirety, all previous investment advisory agreement(s) between the parties. To the extent not inconsistent with applicable law, this Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut. In addition, to the extent not inconsistent with applicable law, the venue (i.e. location) for the resolution of any dispute or controversy shall be the County of Hartford, State of Connecticut.

In executing this Agreement, each party acknowledges and accepts its respective rights, duties, and responsibilities hereunder. This Agreement is only effective upon our execution below.

Check here if FIA is *not* permitted to use your organization on a Representative Client List \_\_\_\_\_

**THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.**

Town of Canton

  
Robert H. Skinner, Chief Administrative Officer

10-11-17  
Date

Fiduciary Investment Advisors, LLC

  
Mark R. Wetzel, President

10/15/17  
Date

# Exhibit A - Scope of Services

We shall provide the following Services to you (as marked below) in accordance with the Investment Consulting Agreement to which this Exhibit A is attached:

**Develop/Review an Investment Policy Statement**

FIA will assist in the development and/or review of an investment policy statement. We will analyze the particular circumstances of your Account (return objectives, risk tolerance, liquidity needs, investment constraints, etc.) and render advice based on the information that you provide to us.

**Asset Allocation Analysis**

FIA will assist in the development of an asset allocation analysis. We will analyze the particular circumstances of your Account (return objectives, risk tolerance, liquidity needs, investment constraints, etc.) and render advice based on the information that you provide to us.

**Independent Manager Search, Review and Recommendation**

FIA will identify and present investment management candidates for your consideration. The information that we utilize in our evaluation of such candidates is sourced both from commercially available databases and our own proprietary tools and efforts. Fees that are levied by investment manager firms are separate from our own and may require the execution of agreements directly between you and them.

**Investment Performance Measurement, Analysis and Reporting**

FIA will analyze the results of your composite Account and the individual investment manager(s) on a quarterly basis, coordinated with the meetings of the town's pension board. Our reviews include a variety of statistical information that we deem relevant to the evaluation of your Account's results including, but not necessarily limited to, portfolio balances, cash flows, and market and individual investment manager rates of return. The primary source of information for these efforts is your Account's custody statements. While we believe such information to be reliable, we do not guarantee its accuracy.

**Plan/Portfolio Diagnostic Review**

FIA will undertake a thorough review of your Account's current structure and analyze your investment policy statement (or assist in the development of one should none exist), your current allocation of assets and investment manager(s), and the historical performance of your total Account and your individual investment manager(s). We will draw comparisons to appropriate peer accounts and make recommendations to rectify those aspects of your Account under our review that, in our professional opinion, are deficient.

**Full Retainer Service** (six services identified above)

**Vendor Search and Analysis**

- Custodian Bank
- Bundled Plan (defined benefit & defined contribution)
- Defined Contribution
- Commission Recapture
- Transition Management

**Other Service (identify)** \_\_\_\_\_

**Banking Instructions**

We bill for our Consulting Fee on a quarterly basis in arrears. Payment should be remitted via check, made out to Fiduciary Investment Advisors, LLC, 100 Northfield Drive, Windsor, CT 06095.