

Memorandum

TO: Federated City Employees' Retirement System
Police and Fire Department Retirement Plan
Investment Committees

FROM: Ron Kumar

SUBJECT: Investment Related Subscriptions/Contracts

DATE: April 11, 2025

Approved

Date

Recommendation

Discussion and action to add funds for additional services to the investment related subscription agreements and for the CEO to negotiate and execute amendments.

Background

Police and Fire Department Retirement Plan and Federated City Employees' Retirement System have agreements with the firms listed in Table 1 for various services. Staff is requesting to add funds for additional services for each vendor listed above for continuity of service. The cost will be shared equally between the Police & Fire and Federated plans except for Bank of New York ("BNY") where each plan has separate contracts.

Table 1

INVESTMENT SUBSCRIPTIONS/CONTRACTS								
Firm	Category	Prior Period Cost	Renewal Period		Renewal Period Cost	Not to Exceed Amt	P&F Allocation	Federated Allocation
Bloomberg Index Services	Index	14,000	8/1/2025 - 7/31/2026	12 months	14,700	15,500	7,750	7,750
Frank Russell Company	Index	1,350	7/1/2025 - 6/30/2026	12 months	1,430	1,500	750	750
JP Morgan	Index	10,000	8/1/2025 - 7/30/2026	12 months	10,500	11,000	5,500	5,500
MSCI	Index	1,000	1/7/2025 - 1/6/2026	12 months	5,000	5,300	2,650	2,650
Bloomberg Finance, L.P.	Research	160,250	8/27/2025 - 8/28/2026	12 months	166,000	173,000	86,500	86,500
Dynamo Software	Research	60,000	7/1/2025 - 6/30/2026	12 months	65,000	68,500	34,250	34,250
ILPA	Research	5,500	3/1/2025 - 2/28/2026	12 months	5,500	6,000	3,000	3,000
eVestment	Research	27,301	7/1/2025 - 6/30/2028	36 months	139,872	140,000	70,000	70,000
Pitchbook Data, Inc.	Research	28,080	7/1/2025 - 6/30/2027	24 months	58,080	60,000	30,000	30,000
BNY - P&F Pension	Custodian	2,580,000	10/01/2025 - 09/30/2030	60 months	2,850,000	2,950,000	2,950,000	
BNY - P&F HCT	Custodian	254,000	10/01/2025 - 09/30/2030	60 months	280,000	290,000	290,000	
BNY - FED Pension	Custodian	2,170,000	10/01/2025 - 09/30/2030	60 months	2,400,000	2,475,000		2,475,000
BNY - FED HCT	Custodian	310,000	10/01/2025 - 09/30/2030	60 months	340,000	350,000		350,000

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Police & Fire and Federated plans except for Bank of New York (“BNY”) where each plan has separate contracts.

Following is a summary of services provided by each firm:

- **Bloomberg Index Services** – public markets index license.
- **Frank Russell Company** – public markets index license.
- **JP Morgan** – public markets index license.
- **MSCI** - public markets index license.
- **Bloomberg Finance** – subscription for access to market data. Increase of 3% from prior term.
- **Dynamo Software** – subscription for research management system.
- **Institutional Limited Partners Association (“ILPA”)** – membership for private markets investment data, research, and tools.
- **eVestment** – subscription provides access to investment analytics and research tools focused on public markets. Staff successfully negotiated a three-year agreement with eVestment, achieving a 6.3% cost savings and securing the inclusion of the Market Intelligence subscription. eVestment Market Lens is a searchable document library with directory of consultants, investors, managers, and their network of relationship. It is a dynamic database of consultant ratings and recommendations. The Market Intelligence subscription grants access to Market Lens, along with peer benchmarking tools for performance, asset allocation, and manager fees. The proposed subscription will provide staff with enhanced access to additional insights, including:
 - Asset owner performance benchmarks (1-, 3-, 5- & 10-year return figures for public/private pensions, endowments, and foundations)
 - Consultant recommendations and ratings
 - Document library covering all asset classes (170,000+)
 - 27,000 investor profiles include asset allocation, manager rosters, key professionals
 - Manager negotiated fees with other asset owners
 - Asset flows (AUM trends)

The current subscription is a base-level plan that does not include Market Intelligence features. It has an annual cost of \$27,301 and is set to expire on June 30, 2025. Table 2 below outlines the proposed pricing for subscription options that include Market Intelligence. It reflects a more conservative estimate of the annual renewal rate increase. In practice, the annual renewal cost could rise by as much as 9.4% per year. By opting for a multi-year agreement through June 30, 2028, the average annual increase is reduced to 4.5%, resulting in an estimated savings of at least \$8,800, or 6.3% of the total cost.

Table 2

Cost per Year	Multi-Year Contract	Annual Contract	P&F Allocation	Federated Allocation
Current (7/1/2024 - 6/30/2025)		\$ 27,301	\$ 13,651	\$ 13,651
Year 1 (7/1/2025 - 6/30/2026)	44,167	47,631	23,816	23,816
Year 2 (7/1/2026 - 6/30/2027)	46,934	49,536	24,768	24,768
Year 3 (7/1/2027 - 6/30/2028)	48,771	51,518	25,759	25,759
Multi-Year Upgrade Total Cost	\$ 139,872	\$ 148,685	\$ 74,343	\$ 74,343
Savings	\$ 8,813	6.3%		

- **Pitchbook** – subscription for private markets due diligence data. The current standard pricing is \$40,000/year, increased from \$36,000/year in 2024. In 2021, Staff negotiated a 2-year renewal at \$25,000 for Year 1 and \$27,000 for Year 2. In 2023, Staff negotiated a 2-year renewal at \$27,000 for Year 1 (25% discount and the same rate we were currently paying) and \$28,080 (22% discount) for Year 2. Staff has negotiated a 25% discount to standard rates on a 2-year renewal starting July 1, 2025 at \$28,080 for Year 1 and \$30,000 for Year 2.
- **Bank of New York** – custodian bank, was selected through a Request for Proposals (RFP) process in October 2020. The initial five-year contract is scheduled to expire on September 30, 2025. The Prior Period Cost in Table 1 reflects the projected costs for the current contract term. The Renewal Period Cost forecasts a 10% increase in fees over the next five years, driven by an anticipated rise in the number of accounts.

Informational

Table 3 below presents contracts that are not part of this approval, however provided for information purposes. These contracts are either currently not due for renewal, approved previously, or pending review.

Table 3

Firm	Category	Prior Period Cost	Term	Status	NTE	P&F Allocation	Federated Allocation
Burgiss Group, LLC	Research	20,000	7/1/2024 - 6/30/2026	Approved in FY 2023-24	44,000	22,000	22,000
Klarity Fx	TCA	22,487	7/1/2025 - TBD	Pending RFP			
Abel Noser	TCA	14,700	7/1/2025 - TBD	Pending RFP			
BCA Research	Research	11,896	9/1/2023 - 6/30/2024	Cancelled in 2024	14,500	7,250	7,250
MSCI Barra, LLC	Risk Mgmt	192,000	6/1/2023 - 5/31/2024	Cancelled in 2024	192,000	96,000	96,000

Staff is currently in the RFP process for trading cost analysis (TCA) providers, with a final decision expected next month. Last year, the termination of contracts with BCA Research and MSCI Barra resulted in savings of \$206,500.

Conclusion

Staff recommends approval of the recommendations as outlined above.

Ron Kumar
Investment Officer