

gregory.w.group

investment management consulting services



gregory t. weaver
president
214.293.9697
gweaver@gregorywgroup.com

douglas j. anderson
senior vice president
918.810.9612
danderson@gregorywgroup.com

Our Firm - *Strong and Stable*

Since our founding in 1989, **gregory.w.group** has emerged as a leading independent investment consulting firm. We have offices in Dallas, Texas and Tulsa, Oklahoma. We strive to act as our clients' in-house investment counsel. Our firm works closely with our clients in the strategic management of their investment portfolios. We offer creative investment structures for all types of portfolios.

gregory.w.group is involved in the management and oversight of a diverse group of client portfolios. We have 19 clients. Our experience with a varied client base has given us critical insights into effective portfolio management.

gregory.w.group is a **totally independent** investment consulting firm. We do not have business relationships which could cause or create a **conflict of interest** for any of our clients. We do **not** have a brokerage division and we **provide no services** to investment managers, custodians, or brokerages. Our independence assures our clients that we act **solely on their behalf**.

Our firm's founders sought quality **investment professionals and staff** to support their work. A full staff of research analysts, support and systems personnel complement each of our consultants. We have proven capabilities in **traditional and alternative asset classes**.

We are driven to perform. Our research and investment management process has produced **superior risk-adjusted** returns for our clients' portfolios. When ranked against similar portfolios, our clients' results have consistently earned top quartile ranks (top 25%).

Our Mission

gregory.w.group was founded to provide our clients independent, objective and complete solutions to their investment challenges. To accomplish this, we must:

- **Listen** to our clients.
- **Communicate** with them using the methods they find most useful.
- Manage the **number of clients** we have to assure each of them the attention they deserve.
- **Continually** remind ourselves of **whose assets** we are managing.
- Guard our **independence** and **objectivity** as crucial elements of our business.
- Invest in **people** and **technology** to remain at the forefront of investment consulting.
- Foster a collegial working environment where **teamwork** is promoted, **communication** is encouraged, and **achievement** is rewarded.

As a firm, and as individuals with the firm, we understand that we will be successful only when our clients' investments are successful.

However, our success will ultimately be defined by **both the investment results our clients earn and by their satisfaction with our services.**

Our Views and Policies on Conflicts of Interest

We are an **independent**, employee-owned firm.

We acknowledge that **we are fiduciaries** alongside our clients.

When we were founded in 1989, we made independence and the prevention of conflicts of interest a **critical part of our business plan**.

In our view, the only way an investment consultant can be **objective and unbiased** is to **accept revenue only from clients**. We believe that the long-term impact of conflicts of interest and bias are insidious and damaging to client interests.

We **do not provide services to organizations that would serve our clients**. We do not sponsor forums for investment managers, custodians, brokers or any other organization who might provide services to our clients.

Pay for Play arrangements have always been and always will be **expressly forbidden** at our firm.

Individuals within our firm are **not allowed to accept cash or other compensation** from investment managers, custodians, brokers or any other organization who might provide services to our clients. Formal reports of meetings with managers and vendors are submitted to our Chief Compliance Officer.

Our Management Philosophy

- Shape Reasonable **Expectations**
- **Strategic Plan** = **Strategic Portfolio Structure**
- Diversified and Controllable Risk **Exposures**
- **Rigorous** Due Diligence of Managers and Investments
- **Repeatable** Investment Processes
- Rigorous **Cost Control**
- Dependable Investment **Results**

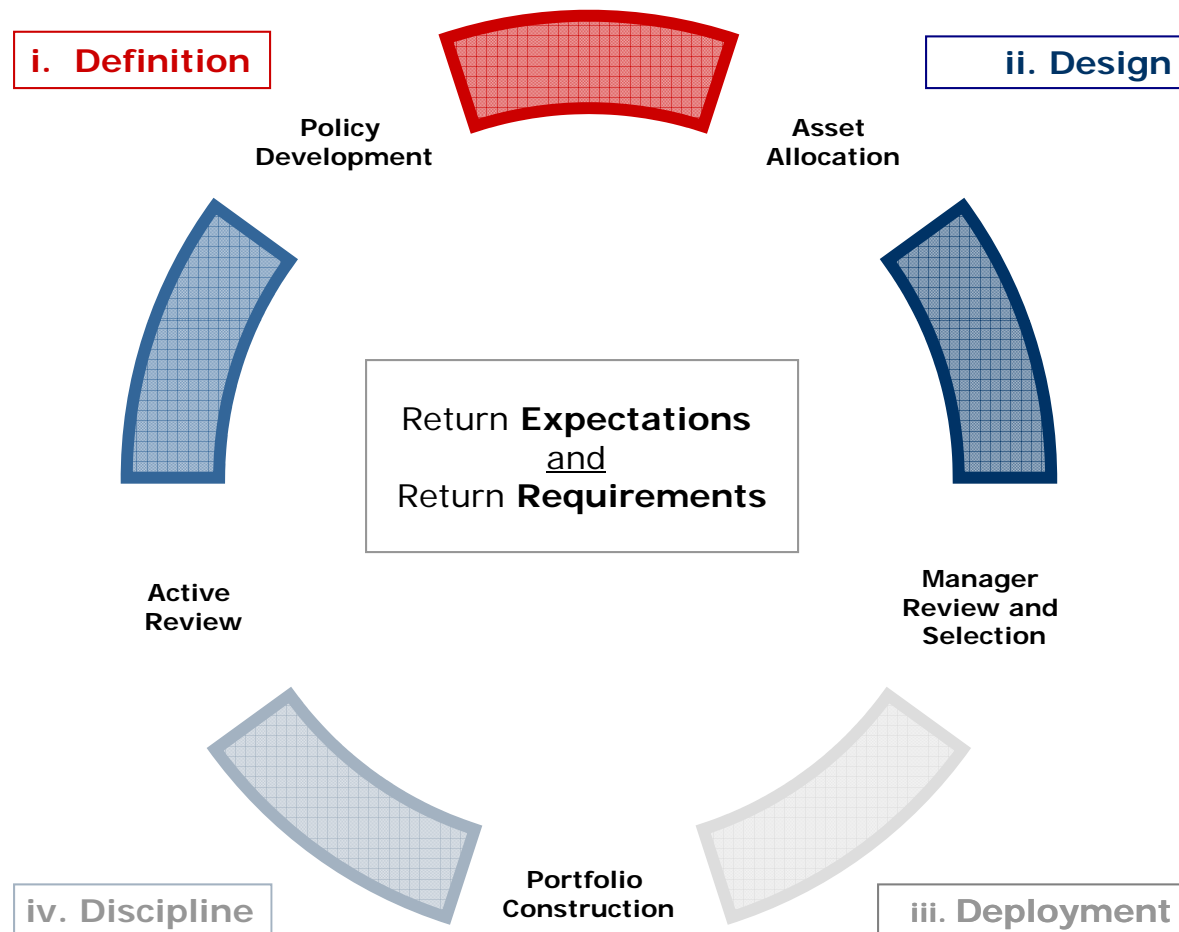


Our Resources and Research

- Extensive Investment **Experience**
- **Advanced** Management and Allocation Systems
- **Senior Professionals Lead** Investment Research and Manager Selection
- **Innovative** Management Processes
- **Independent** Perspective
- **Limited** Clientele



Portfolio Management Process



i. Definition

The **Systems Review** Process Defines:

- o **Goals** of the Retirement System
- o **Purpose** of the Portfolio
- o Investment **Objectives**
- o Investment **Guidelines**
- o Investment **Policies**
- o Portfolio **Oversight** and **Evaluation Standards**

ii. Design

- **Asset Allocation** – Foundation of Portfolio Returns
- Tailors portfolios to a very **specific goal: PRUDENT RETURN MAXIMIZATION**
- Minimizes **Downside Risk**
- Determines **Allowable** Asset Classes, Liquidity Requirements and Ranges
- **Segments** portfolios by function
- **Objectively** compares portfolios in reference to specific goals
- Key Elements
 - Prudent evaluation of market history and asset class behavior
 - Minimum Acceptable Return
 - Rigorous simulations (2000 years of Monte Carlo simulations for each portfolio)
 - **Returns above the minimum acceptable return are not considered risky**
- Effective **planning tool**
- **Benchmark** for future results

iii. Deployment

Manager Search and Selection

- Goal of process is to select great **investors**
- **Open door** policy for new managers
- RFP responses are usually well written **marketing documents**
- Concentrate on **repeatable investment practices**
 - Strategies that have limited appeal because of environmental factors are avoided
 - Fundamental research is favored
 - Adaptation is acceptable
 - Management's views toward risk are crucial
 - Cost sensitivity examined
- Focus on **stable organizations**
 - Form ADV - good place to start
 - Employee ownership is preferred, but not required
 - Retention policies are critical
 - Investing is often an exercise in human judgment
 - Firm size is evaluated differently for among asset classes
- Review **Performance**
 - Historic sensitivity to market factors
 - Portfolio holdings and allocations over time
 - Asset class correlation
 - Quantitative characteristics evaluated versus appropriate peer groups:
 - Information ratio
 - Alpha
 - Volatility

iii. Deployment

Investment Manager Assessment Matrix

Personnel Experience Commitment Skill Compensation	Philosophy Defined Rational Articulated	Process Matches Philosophy Disciplined Research Trading Information Advantage	Product Adequate Fit Flexible Style Consistency Investment Guidelines
Progress Innovation Expansion Assets under Management	Performance Consistent Risk-Adjusted Peer Universes		Price Absolute level Asset based Fee Performance Fee Alpha > Fee
Qualitative Consistency of: People Management Style Process Clients Competitive Advantage		Quantitative Value-Added Risk-Adjusted Returns Sector/Industry Exposure Fundamental Portfolios Characteristics Performance Attribution t-tests	

- **Investors**, not performers
- **Meaningful** and Consistent Alpha
- Well **managed** and **motivated** Firms

iv. Discipline

Risk Control and Portfolio Monitoring

- **Portfolio Segmentation**
- **Investment Management**
 - **Systematic Evaluation** of Fund Progress
 - Review Portfolio Returns within a **Consistent** Framework
- **Investment Policy Compliance**
 - **Fiduciary** Risk Management
 - Compare Portfolios with **Guidelines**
 - **Active** Assessment of Asset Allocation
- **Performance Measurement and Manager Monitoring**
 - Total Fund versus Relative Performance Benchmark
 - Individual Managers versus Performance Benchmarks
 - Total Fund versus **Return Requirement or Actuarial Assumption**
 - Qualitative and Quantitative Review of Portfolios **and** Managers
- **Ongoing Analysis**
 - Long-term Expected Return/Actuarial Assumption versus **Actual Return**
 - Adapt Fund to **Environment**

Contact and Communication

Communication with our clients is critical. We believe a structured communication program enriches relationships between our firm and the Boards, Investment Committees and Staffs to whom we report. As retainer based consultants, our clients are encouraged to contact us frequently without ever incurring additional expense.

Regarding:

- Board – meet with as often as **monthly**
- Investment Committee – meet with as often as **monthly**
- Educational Sessions – quarterly, semiannually or annually
- Board Education – **proactively** planned and scheduled
- Staff – **daily/weekly/monthly**

Communication with the following was not mentioned, but is also **critical**:

- Investment Managers
- Custodians
- Brokers/Transition Managers

Closing Thoughts

- Proven investment results
- Independent, employee-owned and conflict-free
- Experienced
- Accessible
- Stable



Our People

Gregory T. Weaver, President - Greg began consulting in 1987 with a New York-based consulting firm where he was managing director. Greg serves as President of gregory.w.group. He has over 20 years of investment experience. He is responsible for the firm's investment philosophy and management. His expertise in institutional investment management is extensive having reviewed and monitored dozens of funds and vendors. Greg has recently spoken to industry groups on the topic of independence, bias and conflicts of interest in the consulting industry. Education: BA, University of Central Oklahoma, Southern Methodist University Graduate School of Banking.

Douglas J. Anderson, Senior Vice President - Doug joined gregory.w.group in 1990 as a research analyst. Prior to joining the firm, he was employed as a portfolio manager and trader at a regional investment management firm. Doug is responsible for performance measurement and quantitative research and for several client relationships. He has written research papers on a variety of investment topics and heads our asset allocation and transition management research efforts. Education: BSBA Finance, The University of Tulsa.

Mark Magers, Administrator and Controller - Mark has worked with our firm for over four years. He is responsible for corporate financial matters, administration, business operations, and regulatory issues. Mark is not formally involved in our investment process. Before affiliating with gregory.w.group, Mark was a contractor counseling independent companies on accounting and financial management issues. Mark is a graduate of Oklahoma State University and is a Certified Public Accountant.

Our People

David A. Kay, Vice President - David joined the gregory.w.group in 2004 through our University of Tulsa internship program. He assists with client relationships including asset allocation and performance reporting. In addition, he is dedicated to manager research and fund analysis. Education: BSBA Finance, The University of Tulsa.

Casey Morris, Research Analyst - Casey joined gregory.w.group as a research analyst. He concentrates his efforts on performance calculation, portfolio monitoring and client reporting. Casey assists with investment research projects and manager analysis for our retainer clients.

Geoff Curran, Research Analyst – Geoff joined gregory.w.group as a research analyst. His duties involve coordination of data gathering and distribution for our consultants and clients. He also assists in the design and implementation of our investment policy compliance programs for investment managers and our performance reporting activities.

Hugh M. Thompson, Research Analyst - Hugh recently joined gregory.w.group as a research analyst. His duties involve data gathering and distribution. He is also involved in systems management and development. Hugh will work on the implementation of our investment policy compliance programs for investment managers and in performance reporting.

Contact Information

Gregory T. Weaver

President

918.583.1005 office

214.293.9697 mobile

gweaver@gregorywgroup.com

Douglas J. Anderson

Senior Vice President

918.583.1005 office

918.810.9612 mobile

danderson@gregorywgroup.com

dallas office:

2911 turtle creek boulevard
dallas, texas 75219

tulsa office:

15 west 6th street, suite 2901
tulsa, oklahoma 74119