

DATE October 18, 2019

TO: ALL OFFERS

FROM: John Meyer  
Director, Contributions and Plan Management, Office of the State Treasurer

SUBJECT: ADDENDUM TO INVITATION TO BID - CONTRACT NO. TRE20101-  
INVESTMENT, Investment Advisory and Consulting Services

**ADDENDUM # 2**

All other terms and conditions remain the same.

This is to inform bidders of the addition of the Contract Addendum for the State of Delaware\_RIA Services Agreement\_2019 Extension 529 Plan Agreement effective as of December 4,2018.

If you have any questions, please contact me at 302-672-6705, Treasury\_RFP@delaware.gov.

**ADDENDUM (SECOND) TO PROFESSIONAL SERVICES  
AGREEMENT BETWEEN CAMMACK LARHETTE ADVISORS, LLC  
AND THE OFFICE OF THE STATE TREASURER**

**THIS SECOND ADDENDUM**, effective as of December 4, 2018 (the "Addendum"), amends that certain Professional Services Agreement (the "PSA"), dated January 3, 2017, by and between Cammack LaRhette Advisors, LLC ("Cammack") and the Office of the State Treasurer ("OST"), on behalf of the Plans Management Board ("PMB").

**WITNESSETH:**

**WHEREAS**, pursuant to the PSA, OST retained Cammack to provide certain advisory and plan consulting services in support of the State of Delaware's deferred compensation plans under sections 401(a), 403(b) and 457(b) of the Internal Revenue Code ("IRC");

**WHEREAS**, the initial term of the PSA expired on January 2, 2018;

**WHEREAS**, OST, with the consent of the PMB, and Cammack executed that certain Addendum #1 in October 2017, which extended the term of the PSA for one year, through January 2, 2019;

**WHEREAS**, the PSA provides for an additional one-year extension, through January 2, 2020, exercisable by written agreement of the parties;

**WHEREAS**, OST, with the approval of the PMB, desires to expand the scope of Cammack's engagement under the PSA to include advisory and plan consulting services in support of the State of Delaware's college investment plan under IRC § 529; and

**WHEREAS**, the parties have determined that it is in the best interest of the State of Delaware to amend the PSA to include the services as provided below;

**NOW, THEREFORE**, in consideration of the foregoing the parties hereby enter into this Addendum and agree as follows:

1. The PSA is amended as provided herein.
2. The PSA is extended for an additional one-year term, through January 2, 2020.
3. Cammack is engaged to provide the § 529 services expressly identified on Exhibit 1 hereto (Scope of Services) (the "529 Services"). Cammack shall provide assistance with and/or undertake such other § 529 services as are requested by the Board and/or OST (the "Optional 529 Services").
4. Cammack shall be compensated for the 529 Services with a flat annual fee of \$22,750, which fee shall be billed monthly in arrears as provided in the PSA. If 529 Services are performed during December 2018, fees for such period shall be prorated on a daily basis.

5. Cammack shall be compensated for the Optional 529 Services at a rate of \$350 per hour, which fees shall be billed monthly in arrears as provided in the PSA. Fees for Optional 529 Services shall not exceed \$26,250.
6. Cammack shall commence providing the 529 Services and Optional 529 Services upon receipt of a written request from OST.
7. Cammack shall submit to OST separate invoices (*i.e.*, distinct from invoices involving the deferred compensation plans) for all fees incurred in connection with the § 529 plan. Fees for 529 Services and Optional 529 Services incurred during the same calendar month may be combined in a single invoice.
8. Except as amended hereby, the PSA shall remain in full force and effect.
9. This Addendum shall be governed by and construed under the laws of the State of Delaware.
10. This Addendum may be executed in counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have executed this Addendum.

**CAMMACK LARHETTE ADVISORS, LLC**

**OFFICE OF THE STATE TREASURER,  
on behalf of the PLANS MANAGEMENT  
BOARD**

By: **Redacted - Original on File**

Title: *VICE PRESIDENT*

Title: *DIRECTOR, CONTRIBUTIONS AND  
PLAN MANAGEMENT*

Date: *12/5/2018*

Date: *12/4/18*

## Exhibit 1: Scope of Work<sup>1</sup>

1. Provide strategic insight with respect to IRC § 529 industry trends and proposed legislative updates.
2. Work with the Board to identify plan goals, long term strategies and timeframes for completion.
3. Support the creation of an investment policy statement for the plan (“IPS”) and a process for the annual review of such policy.
4. Review investment management capabilities of the current provider relative to peers and analyze investment usage and key customer metrics.
5. Identify risks that may be present in the current investment menu, together with opportunities for the State of Delaware to exploit underutilized services offered by the current provider.
6. Prepare quarterly investment analysis reports, reviewing the age-based portfolios (including Fidelity actively managed portfolios, Fidelity passively managed portfolios and multi-fund actively managed portfolios), static portfolios, individual fund portfolios, bank deposit portfolio. Cammack will:
  - A. For each of the above age-based and static investment portfolios:
    - Facilitate the creation of custom composite holdings-based benchmarks and determine through quantitative analysis root causes of under/over performance relative to peers
    - Review performance against Cammack proprietary peer group to analyze performance versus similar peers
    - Provide a scorecard indicating where each portfolio meets, or fails to meet, the criteria from the IPS
  - B. For the Individual Fund portfolios:
    - Provide performance analysis relative to each asset class benchmark and peer group
    - Produce a scorecard indicating where each portfolio meets, or fails to meet, the criteria from the IPS
  - C. For the bank deposit portfolio:
    - Provide a separate analysis highlighting the key elements of the investment
    - Prepare a comparison with other similar investments in the market
7. Attend all Board and Investment Subcommittee meetings, telephonically or in person, if and as requested by OST.

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<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Addendum.