

TRANSITION MANAGEMENT SERVICES AGREEMENT

This Transition Management Services Agreement (hereinafter “Agreement”) is made and entered into as of the date set forth on the signature page between [XXXXXXXXXX] (collectively referred to as the “Transition Manager”), and the Cook County Pension Fund, an Illinois Public Pension Fund (“Client”).

WHEREAS, the Client wishes to engage Transition Manager to provide portfolio transition management services, subject to the investment objectives, policies and restrictions set forth in this Agreement, for investment portfolios as needed by Client.

NOW THEREFORE, in consideration of the foregoing and the covenants, representations and warranties set forth in below, the parties hereto agree as follows:

I. ENGAGEMENT OF TRANSITION MANAGER.

Client hereby agrees to retain Transition Manager to perform the “Services” set forth in Section II this Agreement and Transition Manager agrees to perform such Services with respect to such of the Client’s assets as may be designated in writing by the Client from time to time. It is understood and agreed that the relationship between the parties hereto shall be that of independent Transition Manager and nothing herein shall be construed to constitute or appoint Transition Manager or its officers and employees as an agent of Client.

II. SERVICES.

The Transition Manager will restructure the Client’s existing portfolio (the “Legacy Portfolio”) to a target portfolio (the “Target Portfolio”) in accordance with the terms and conditions of this Agreement, the objectives and transition guidelines established by Client, the legal limitations imposed by Client, all applicable federal and state laws and regulations, and the specific directions issued by Client to the Transition Manager set forth in a Letter of Direction (“Form of Transition Notice”) for each transition; sample attached as Exhibit 1. The term “the Assets” shall refer to the Assets relating to a particular transition program and the terms “transition” and “transition program” shall refer to each transition program to be effected hereunder. Unless otherwise specified in a letter agreement after the execution of this Agreement, the terms and conditions of this Agreement shall apply to all such transition programs.

The potential range of desired transition management services is broad and the specific magnitude, frequency and nature of such transitions are difficult to outline in advance. The Transition Manager shall be asked to work on an individual transition basis, and may be asked to work on any of Client’s investment portfolios as needed by Client.

The scope of each required transition shall depend upon the particular strategy for which Client requests transition management services and according to the needs of the various current and future investment programs. Under this Agreement, a transition may require and include, but not be limited to the following:

1. The Transition Manager shall provide transition management services from Client’s existing portfolio (the “Legacy Portfolio(s)”) to a target portfolio (the “Target Portfolio(s)”)

necessitated by an investment adviser reorganization or termination, portfolio rebalancing, asset allocation shifts, and cash infusion/asset flow requirements. The transition and liquidation may encompass multiple asset classes and multiple investment advisers across all capitalization ranges.

2. The Transition Manager shall provide a timely proposal and pre-trade analysis to Client for each transition. The proposal shall include the Transition Manager's analysis of the risks and costs associated with the transition, its trading strategy for minimizing the risks and costs, a timetable for completing the transition and a detailed estimate of all implicit and explicit costs.

3. The Transition Manager shall discharge its duties under this Agreement with the care, skill prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and will like aims.

4. The Transition Manager shall act to minimize tracking error, maintain asset class (benchmark) exposure, and maintain specified asset allocation targets, as appropriate for each transition. During the term of the transition, the preservation of capital shall be taken into consideration through the expert use of all liquidity sources, trading, in-kind transfer of the Legacy Portfolios to the Target Portfolios, and all other necessary and appropriate tools and techniques required to accomplish a smooth transition.

5. The Transition Manager shall comply with Client's Transition directions, reporting and disclosure requirements.

6. The Transition Manager shall ensure communication and coordination of trading activity with investment advisers (of both the Legacy and Target portfolios) and Client's Custodian, in conjunction with Client's operations and investment staff.

7. The Transition Manager shall seek best execution in the selection and evaluation of broker execution outlets.

8. The Transition Manager shall comply with all applicable federal and state laws and regulations with respect to the Services under this Agreement.

Execution of this Agreement shall not be construed as a guarantee of a minimum level of transition assignments to be made to the Transition Manager. Additionally, Client makes no guarantee of the Transition Manager's exclusive right to provide Client with the types of services enumerated herein and reserves the right to utilize other Transition Managers. Client may solicit proposals and bids for transition manager services within a pool of approved transition managers (Client's "Transition Pool").

III. TRANSITION OF ASSETS

The transition of the Assets from the Legacy Portfolio to the Target Portfolio will occur over such periods of time as required to successfully execute the transition of the Assets. Transition Manager will prepare for the Client a transition plan, which will include an estimated time frame for completion of the transition. The Transition Manager will minimize the trading necessary to complete the transition. The Transition Manager will notify the Client's Custodian, the Legacy Portfolio Manager and the Target Portfolio Manager that the Transition Manager has been retained as transition manager responsible for managing the restructuring of the Assets. The Transition Manager shall at no time have the right to physically possess the Assets or to have the Assets registered in its own name or the name of its nominee, nor shall the Transition Manager in any manner acquire or become possessed of any income, whether in kind or cash, or proceeds, whether in kind or cash, distributable by reason of selling, holding or controlling such assets. All such duties of physical acquisition and safekeeping of the Assets shall be the sole obligation of Client's Custodian.

IV. REPORTING

The Transition Manager shall provide timely reporting of all trade activity, via electronic means, from commencement of the liquidation to the completion and full funding of the Target Portfolio(s). The Transition Manager shall provide all such other reports, including verbal updates and a summary regarding progress, execution, and risk exposure, with respect to the transition(s) as requested by the Client. The Transition Manager shall participate in meetings or conference calls as need to provide information to the Client regarding the firm's management and performance in conducting the transition. The Transition Manager shall provide a final written report once the transition is complete that summarizes the performance and costs through a post-trade analysis.

V. TRADING AUTHORITY

In connection with the transition, the Transition Manager shall have trading authority with respect to the Assets, and may establish one or more brokerage accounts in the name of Client for the purpose of effecting the transactions contemplated by this Agreement. In carrying out the transition, the Transition Manager shall coordinate with the Client's Custodian to settle and account for transitions in the Assets.

VI. FIDUCIARY

The Transition Manager is a fiduciary, as defined by the Illinois Pension Code, under this Agreement. The Transition Manager's fiduciary obligations shall include, but not be limited to, a duty of loyalty and care, to take action and otherwise perform solely in the interest and for the benefit of Client, including Client's participants and beneficiaries. As a fiduciary, the Transition Manager shall apply all forms of risk management tools and derivatives approved for use in advance to manage tracking error and mitigate risk.

The Transition Manager shall discharge all of its duties and exercise all of its powers (i) solely in the interest of Client (ii) with the care, skill, prudence and diligence under the circumstances prevailing that a prudent person who is familiar with such matters would use in discharging such duties and exercising such powers, and (iii) otherwise in accordance with the standard of

responsibility applicable to Client's investments under Article 1 of the Illinois Pension Code. The Transition Manager represents and warrants that it is, and shall, in connection with each transition executed pursuant to this Agreement, remain a "fiduciary".

Additionally, the Transition Manager shall act in accordance to the "Code of Best Practices for Transition Managers" as set forth in the T-Charter, attached hereto as Appendix A, and incorporated into and made a part of this Agreement.

VII. TERM AND TERMINATION.

The three year term of this Agreement shall be effective as of the day and year written below unless terminated by either party; provided, that the Client may extend this Agreement for an additional two years in its sole discretion. This Agreement may be terminated without penalty upon receipt of written notice by the Client or upon 90-days written notice by the Transition Manager.

VIII. REPRESENTATIONS OF TRANSITION MANAGER.

Transition Manager warrants, represents and certifies to Client as follows:

- (a) It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has full power and authority to enter into this Agreement and to perform its obligations hereunder.
- (b) There are no direct and indirect fees, commissions, penalties and other compensation, including reimbursement of expenses that may be paid by or on behalf of Transition Manager in connection with the provision of services to Client. The Transition Manager agrees to provide full disclosure of all compensation, including reimbursement for expenses, which may be paid by or on behalf of the Client in connection with the provisions of this Agreement.
- (c) The terms of this Agreement do not violate any undertaking, obligation, statute, or regulation by which it is bound, whether arising by contract, operating of law or otherwise and this Agreement has been duly authorized by it and when executed and delivered will be binding upon it in accordance with the Agreement's terms.
- (d) The Transition Manager by signing this Agreement, covenants that Transition Manager has no public or private interest, direct or indirect, and shall not acquire directly or indirectly any such interest, which does or may conflict in any manner with the performance of Transition Manager's services and obligations under this Agreement. Any such conflict shall be disclosed to Client and Client shall determine whether such conflict is cause for termination of this Agreement.
- (e) The Transition Manager agrees that it shall abide by and follow all applicable policies of Client during the term of the Agreement, including without limitation the Investment Policy Document.

- (f) The Transition Manager agrees that it shall notify Client of any potential conflict of interest between Transition Manager's transition management obligations to Client and its investment management services, if any, including, without limitation, written notice to Client if Transition Manager is at any time recommending to Client and investment manager with whom Transition Manager has a business relationship or from whom the Transition Manager receives any form of compensation or remuneration.
- (g) The Transition Manager represents and warrants to Client that it has completed, obtained, and performed all registrations, filings, approvals, licenses, authorizations, consents or examinations required by any government or governmental or regulatory authority for entry into this Agreement and performance of its acts contemplated by this Agreement, and the Transition Manager shall maintain such proper authorizations during the term hereof. The Transition Manager is and shall remain registered as an investment adviser with the Securities and Exchange Commission consistent with the requirements of the Investment Advisers Act of 1940, during the term of this Agreement. The Transition Manager shall immediately notify Client if at any time during the term of this Agreement it is not so registered or if its registrations are suspended.

The Transition Manager will furnish to Client such evidence as Client may reasonably request to show that the Transition Manager satisfies the foregoing requirements and the Transition Manager shall promptly notify Client if it has reason to believe that any of the foregoing representations, warranties or covenants may cease to be satisfied.

IX. INDEMNIFICATION.

Transition Manager agrees that it will indemnify and hold harmless Client of, from and against any and all costs, claims, losses, demands or liabilities (including legal fees and amounts paid in settlement) with respect to the acts, transactions, duties, obligations or responsibilities of Transition Manager or any other person, agent, firm or corporation working with or for the Transition Manager. The Transition Manager shall not indemnify Client for any loss, damage, liability, cost or expense arising from fraud, willful violation of law, gross negligence, bad faith, breach of fiduciary duties, willful misconduct, or willful breach of this Agreement committed by the Client.

X. CONFIDENTIALITY; PROPRIETARY INFORMATION.

In connection with the performance of its services under this Agreement, Transition Manager will hold any confidential information it receives concerning Client in strict confidence, and will not disclose any such information to any third party except as necessary in connection with the performance of its duties on behalf of Client or as required by applicable law. Transition Manager will be relieved of the undertaking of this section with respect to any Client information which is made public through no fault of Transition Manager or any person, agent, firm or corporation working with or for the Transition Manager.

XI. CLIENT WORK PRODUCT.

All documents, including reports and all other work product produced by Transition Manager under this Agreement, will become and remain the property of Client. All information obtained by Transition Manager concerning matters of Client is confidential and shall remain confidential.

The Transition Manager shall maintain, and keep for five (5) years after the termination of this Agreement, complete financial records relating to this Agreement and the Services rendered under this Agreement, including all books, records, documents, media, receipts, invoices, and other evidence relating to this Agreement and the performance of the Services described herein, including but not limited to, accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any natured expended in the performance of this Agreement.

XII. COMPENSATION TO TRANSITION MANAGER.

For so long as it provides ongoing services rendered under this Agreement, Client shall pay Transition Manager a Transition Management fee. Except as otherwise agreed in writing, Transition Manager's fees shall be set forth in a Letter of Direction for each transition program.

XIII. NOTICES.

Any notices, demand, or communication required or permitted hereunder shall be in writing and shall be deemed duly given for all purposes upon: (i) the actual receipt by the recipient, if notice is given by personal delivery or any method not described below; (ii) one business day after deposit of notice, if notice is given by reputable overnight commercial courier service for next day delivery; (iii) four business days after mailing, if notice is given by U.S. mail, postage prepaid; and (iv) when sent, if notice is given by facsimile or e-mail and a confirmation copy of such notice is simultaneously sent by personal delivery, U.S. mail, or reputable overnight commercial courier service. Notices shall be addressed to Transition Manager at:

[XXXXXXXX]
[XXXXXXXX]
[XXXXXXXX]

and to Client at:

[XXXXXXXX]

or at such other address as shall be specified in each case in a written notice duly given.

XIV. GOVERNING LAW.

This Agreement shall be governed by and construed according to the laws of the State of Illinois without reference to choice-of-law or conflict-of-law principles.

XV. COMPLIANCE WITH LAW.

The parties shall comply in all material respects with any and all applicable Federal, State and local laws and regulations as the same exist and may be amended from time to time. Notwithstanding any other provision herein, any action of a party that is required by law or regulation shall not be deemed a breach of this agreement. Client will be notified immediately in writing if Transition Manager is unable to comply with any and all applicable Federal, State and local laws and regulations during the term of this agreement.

XVI. MISCELLANEOUS.

1. Severability. If, for any reason, any provision of this agreement is held to be unenforceable, the remainder of the provisions of this agreement as may remain otherwise intelligible shall nonetheless be valid and enforceable to the maximum extent allowed by applicable laws except to the extent that the intent of this agreement is frustrated thereby.
2. Subcontracts. The Client does not contemplate that any subcontracted work shall be necessary under this Agreement. Nevertheless, the Transition Manager shall not enter into subcontracts for any of the Services contemplated under this Agreement unless specifically approved in writing by the Client prior to the commencement of such subcontract. The identity of sub-contractors will not be reasonably withheld from Client and will be provided upon request by the Client. The existence of a subcontract does not release or reduce the liability of the Transition Manager to the Client for any breach in the performance of the Transition Manager's duties.
3. Management. The Transition Manager shall promptly notify Client in writing of any material change in (i) the Transition Manager's senior executive staff or staff servicing the Client's Account, (ii) the merger, consolidation, sale of stock or substantially all the assets or change of control of the Transition Manager, and (iii) any proceeding in insolvency, bankruptcy, reorganization, or liquidation of the Transition Manager.
4. Insurance. The Transition Manager will at all times during this agreement carry a reasonable level of errors & omissions, professional liability and workers compensation insurance and provide the Client with an accord certificate evidencing the coverage for their file.
5. No Third-Party Beneficiaries. This agreement is for the sole benefit of the parties hereto, and nothing in this Agreement is intended nor shall be deemed to confer any rights, remedies, or benefits to, or be enforceable by, any other individual or legal entity. In addition, Transition Manager states that no third-party placement, marketing, solicitors, finders, consulting, or other contingent fees were paid based on the Client's execution of this Agreement.

6. Amendments. This Agreement may not be amended, modified, or repealed except by a written amendment or other document signed by both of the parties hereto.
7. Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto and contains all the agreements among such parties with respect to the subject matter hereof and supersedes any and all other agreements, either oral or written, between such parties with respect to the subject matter hereof.
8. Assignment. Neither party may assign this Agreement without the prior written consent of the other party.
9. Binding Effect. This Agreement shall be binding upon, and inure to the benefit of the parties hereto and their respective successors and assigns.
10. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

Signature Page Follows

IN WITNESS WHEREOF, the parties have entered this Agreement on the date written below.

By: _____

Name: _____

Title: _____

Date: _____

Cook County Pension Fund

By: _____

Name: _____

Title: _____

Date: _____