

# Methodology for NABTU Investment Consultant Report Card

## Overview

Investment consultants were invited to respond to a NABTU questionnaire that sought information across a range of categories. Each of the fifteen firms that submitted responses was evaluated across five categories.

Each of the five categories could earn up to five points, and all five were equally weighted in the final evaluation. The total points were multiplied by four to reach a final percentage score.

**No effort has been made to suggest what constitutes a “good” or “bad” score. That determination rests with the plan sponsor, its staff and trustees.** Funds may choose to attach greater or less weight to a category, according to the specific investment objectives and requirements of each fund.

Pension funds are strongly encouraged to discuss these ratings in greater detail with the investment consultants they employ or consider.

## Scorecard Categories

1. **Serving the client’s best interests:** does the investment consultant serve as a fiduciary for the pension funds they advise?
2. **Value add from consultant’s advice:** does the investment consultant estimate the value added by their consulting advice? How do they measure and report risk-adjusted returns across all clients?
3. **Limiting a plan sponsor’s investment costs:** how does the consultant track and manage investment fees by asset managers?
4. **Responsible Contractor Policy (RCP) oversight:** does the consultant consider whether an infrastructure or real estate manager has adopted a RCP in its due diligence process?
5. **Support for labor-friendly asset managers:** does the consultant consider the economic benefit to Taft-Hartley clients of investments in funds or strategies that can drive union work hours, and therefore contributions to clients’ collectively bargained benefit plans?