

REQUEST FOR PROPOSAL



East Cocalico Township
Actuarial Plan Services



UNIVEST
MUNICIPAL PENSION SERVICES

December 21, 2017

Letter of Transmittal

December 15, 2017

East Cocalico Township
Pension Advisory Committee
Attn: H. Scott Russell, Township Manager
100 Hill Road
Denver, PA 17517

Dear Ms. Russell:

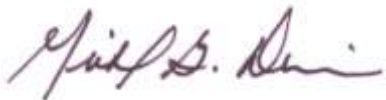
Thank you for the opportunity to respond to your advertised RFP. Enclosed is our proposal for your Non-Uniformed and Police Pension Plans for Actuarial Services. Uninvest stands ready and poised to build a relationship with East Cocalico Township and service your growing pension needs. Below is a brief overview of our organization and expertise.

Uninvest Municipal Pension Services (UMPS) is an investment counseling firm operating totally on behalf of our municipal pension plan clients. Our philosophy has been to provide professional actuarial and consulting services to meet our clients' unique pension needs and objectives, regardless of the complexities associated with understanding all of the different pension rules and regulations particular to Pennsylvania municipalities. Our total commitment in this specialized field has allowed us to present our municipal clientele with comprehensive pension services that are unsurpassed by any other municipal consulting firm.

UMPS accepts only PA Municipal Pension Plans that are under the purview of Pennsylvania State Law, namely the Municipal Pension Plan Funding Standard and Recovery Act 205 and the Police Pension Fund Act 600, as our clientele. Our firm's focus on understanding the complex state pension statutes that govern each municipal client's pension plan is paramount. This focused knowledge provides our counselors with insightful information regarding financial statements, Act 205 and AG-385 Forms, and GASB 67 & 68 requirements that are inherently unique to local government pensions.

Once again, thank you for your consideration of our response to this RFP. We are available at your convenience to discuss our proposal in person, and we certainly hope to hear from you as you conduct your evaluation process. Please feel free to reach me by telephone 215-703-5459 or email at davissonm@uninvest.net.

Sincerely,



Michael G. Davisson
Vice President
Enclosures



GENERAL INFORMATION

Experience with Pennsylvania Municipal Retirement Plans

- a. Principal Actuary: Identify the principal actuary by name and give the year such actuary became an enrolled actuary under Section 3042 of the Employees' Retirement Income Security Act of 1974 and the number of years of experience with Pennsylvania municipal retirement plans, and retirement plans in general, for which the principal actuary has primary client responsibility. Please include a copy of the Principal's Actuary's resume.

Response: Univest Municipal Pension Services (UMPS) is not an Actuarial Firm and therefore we do not have any individuals enrolled under Section 3042. UMPS utilizes the services of Beyer-Barber Company, a prominent actuarial consulting firm, for the *finalization and execution* of the biennial Commonwealth of Pennsylvania forms PC-201C, PC202-C or PC-203C, as required under Act 205 of 1984, for filing with the Public Employee Retirement Commission. Beyer-Barber certifies nearly 300 Act 205 reports each cycle.

Principal at Beyer-Barber that will certify the final documents:

Randee W. Sekol, EA, MAAA, MSPA, FCA - Chief Actuary, Beyer-Barber Co. The Firm has been providing actuarial services since 1984.

Experience: Randee has been in practice for over 25 years. He provides actuarial and consulting services to a broad spectrum of plan sponsors including public and private corporations, tax-exempt entities, multiemployer plan sponsors and not-for-profits. He has extensive expertise in defined benefit and health and welfare plans.

After becoming Vice President of the firm in 1984, Randee became CEO in 1991 and sole owner in 1996. As owner, Randee has the unquestioned authority to directly respond to clients regarding any issue on behalf of the Company.

Designations: Enrolled Actuary, Member of the American Academy of Actuaries, Member of the American Society of Pension Professionals and Actuaries & Fellow of the Conference of Consulting Actuaries

UMPS currently provides Actuarial Services to **76 Pension Plans**.

- b. Identify other actuaries employed by the actuarial consulting firm who are certified to perform actuarial services under Act 205 and the number of years of experience with Pennsylvania municipal retirement plans. Please include resumes of other actuaries who will be providing services under the proposed contract with East Cocalico Township.

Response: Lawrence C. Brisman, EA, MAAA, MSPA - Vice President and Actuary, BBC – Providing actuarial services since 1984.



c. Provide the total number of enrolled actuaries employed by the actuarial consulting firm.

Response: Beyer-Barber has four enrolled actuaries on staff.

d. Provide the number of actuarial support staff who perform actuarial calculations for Pennsylvania municipal retirement plans.

Response: UMPS has three individuals in our office that perform actuarial calculations for Pennsylvania municipal retirement plans.

e. Identify any advisors or subcontractors who will assist in the performance of services described in the scope of services.

Response: UMPS performs all actuarial services and Beyer-Barber reviews and certifies the final forms. No other advisors or subcontractors are involved in the process.

FIRM HISTORY AND OPERATIONS

a. For how many years has the firm been providing actuarial services?

Response: UMPS has been providing actuarial services since 1992. (25 years)

b. For how many years has the firm been providing actuarial services to Pennsylvania Municipal Retirement Plans?

Response: UMPS has been providing actuarial services to Pennsylvania Municipal Retirement Plans since 1992. (25 years)

c. For how many Pennsylvania Municipal Retirement Plans is your firm currently providing actuarial services?

Response: UMPS currently provides Actuarial Services to **76 Pension Plans**.

d. Please identify the location of the primary office that will provide services for the pension plans.

Response: Primary Office:
Univest Municipal Pension Services (UMPS)
4600 Broadway
Allentown, PA 18104

e. Describe the ownership structure of the firm, including the relationships of each branch office to the branch offices and to the headquarters. Identify the individual or individuals who have overall responsibility for the firm's operations.

Response: Univest Municipal Pension Services (UMPS) is one of the leading providers of investment management/consulting, compliance, custodial, accounting, actuarial and administrative services designed to meet the unique pension needs and objectives of Pennsylvania municipalities. Our firm's excellent reputation is due to the fact that we exclusively serve only municipal pension plans located in the Commonwealth of Pennsylvania. By focusing solely on the needs of municipalities, we have developed a comprehensive array of pension services for our clients.



Univest Corporation of Pennsylvania (UVSP), including its wholly-owned subsidiary, Univest Bank and Trust Co., has \$4.5 billion in assets and \$3.4 billion in assets under management and supervision through its Wealth Management lines of business. Headquartered in Souderton, Pa. and founded in 1876, the Corporation and its subsidiaries provide a full-range of financial solutions for individuals, businesses, municipalities and nonprofit organizations in the Mid-Atlantic Region. Univest delivers these services through a network of 50 offices in southeastern Pennsylvania extending to the Lehigh Valley and Lancaster, as well as in New Jersey and Maryland and online at www.univest.net.

Univest Corporation of Pennsylvania and its subsidiaries serve the financial needs of residents, businesses, and nonprofit organizations throughout the Mid-Atlantic region. Univest Bank and Trust Co.SM is a member of the FDIC and an Equal Housing Lender and offers customers a full range of financial services located in Bucks, Chester, Lancaster, Lehigh and Montgomery Counties as well as Philadelphia. The below affiliated companies are licensed subsidiaries of Univest Corporation of Pennsylvania:

- UMPS, A Univest Wealth Management Firm
 - A leading provider of financial investment management, custodial, administrative, accounting, consulting, compliance and actuarial services in the pension industry.
- Univest Investments, Inc.
 - A full-service broker-dealer that offers investment products and is a member of FINRA.
- Girard Partners, A Univest Wealth Management Firm
 - An Investment advisory firm offering wealth management and investment services to individuals and high net worth investors.
- Univest Insurance, Inc.
 - An independent insurance agency headquartered in Lansdale, PA, which serves commercial and personal customers.
- Univest Capital, Inc.
 - A commercial finance business with primary focus on leasing opportunities.

Univest Corporation of Pennsylvania is traded on the NASDAQ Global Market System under the ticker symbol UVSP.

Below is our Actuarial/Administrative Team that would provide services to East Cocalico Township.



Actuarial/Administrative Team:



RONALD H. BITTNER, CPA Vice President, Senior Consultant

Ron is the primary client relationship manager for the majority of the Univest Municipal Pension Services clients. He oversees all aspects of the actuarial, accounting, administrative, consulting, compliance and benefit determination services for more than 100 pension plans across Pennsylvania. Ron has a background in public accounting and worked in the Department of the Auditor General before entering private business consulting. Ron earned a Bachelor of Business Administration in professional accountancy from Penn State University. He is a Certified Public Accountant and a member of the Pennsylvania Institute of Certified Public Accountants and the American Institute of CPAs. Ron also has his FINRA Series 7 and 63 licenses. He serves as the Finance Committee Chairman for his high school's alumni association and is an avid golfer and bowler.



KELLE-ANN KICHLINE Senior Employee Benefits Account Officer

Kelle serves as the direct contact for Univest's municipal pension client's administrative needs and manages the administrative team for the department. In addition she oversees Act 205 compliance issues regarding audit oversight as well as pension benefit calculation review. She is responsible for the creation and oversight of client investment reports, review of GASB financial reports, AG-385 review, MMO testing and submission, and ACT 205 valuation data review and generation. Before joining Univest in 2008, Kelle served as an accountant at a public accounting firm that specialized in school district and local government audits. Kelle-Ann earned a bachelor's degree in accounting from Muhlenberg College.



FRED A. OLDER, CPA Municipal Pension Consultant

Fred is responsible for the compliance, implementation, and preparation of the GASB reporting standards, GASB 67 and 68. Additionally, his responsibilities include AG-385 review, MMO testing and review, Act 205 valuation data input and review, determination of annual cost-of-living adjustments, and the calculation of pension benefits. Fred also serves as a direct contact for Univest's municipal pension clients regarding their Act 205 and Act 600 compliance issues. Prior to joining Univest in 2013, Fred was employed for 22 years by the Pennsylvania Department of Auditor General concentrating in municipal pensions. He is a Certified Public Accountant and graduated with honors from Spring Garden College with a bachelor's degree in accounting.

- f. Please describe any material developments in the ownership structure of your organization over the past three years. Describe any planned material changes in your organization in detail.

Response: Univest Corporation has actively been expanding its service offerings through acquisitions over the past several years. On July 1, 2016, Fox Chase Bank merged with Univest Corporation of Pennsylvania. Recently Univest acquired Valley Green Bank, a commercial bank headquartered in Mt. Airy, in June 2014. Univest acquired Girard Partners, Ltd., a registered



investment advisory firm headquartered in King of Prussia, PA, in January 2014. In May 2013, Univest Corporation acquired John T. Fretz Insurance Agency, Inc. a family-owned-and-operated full-service property and casualty insurance agency.

As for UMPS, there have not been any significant changes in the last three years. However, we have added 14 new pension plans and 8 new municipalities in that time frame.

g. How many employees are located at the branch office that will be responsible for services under this proposal?

Response: There are seven employees at our office in Allentown that will be servicing your account.

h. If the client contact person is other than the principal actuary, please identify who will be the client contact person on the account?

Response: At UMPS, we use a team approach to service our clients. The team that would be responsible for your account is listed above. Your main contact person will be Ronald Bittner, Vice President and Senior Consultant.

i. Describe the firm's computer capabilities in detail?

Response: At UMPS, we will enroll the municipality into our administration and tracking database. Once registered, municipal records are stored within a secure, state-of-the-art computer program specifically geared to the administration of Act 205 and Act 600 Pension Plans.

j. Provide details regarding your insurance policy for professional liability coverage and any other coverage that is relevant to the services you would be providing to East Cocalico Township if selected. Please include a certificate of insurance with your application materials.

Response: Univest Corporation of Pennsylvania maintains the following insurance coverage: \$10,000,000 D&O, \$10,000,000 Broad Form E&O, and \$5,000,000 Brokerage/Advisory Services. UMPS is a wholly owned subsidiary and is covered under Univest's insurance policies.

Refer to Exhibit I for Certificate of Liability Insurance.

REFERENCES

Please list five (5) Pennsylvania municipal clients for whom the firm has provided actuarial services within the past year. At least three (3) of the reference clients must be clients who have been serviced by the principal actuary who will be assigned to the Township of East Cocalico. For each reference listed, include the name of the municipality, the contact person at the municipality, telephone number and the email address.

Akron Borough

Susan Davidson, Manager
717-859-1600
Email – sued@akron-pa.com

Doylestown Borough

Caroline Brinker, Finance Director
215-345-4140
Email – cbrinker@doylestownborough.net



East Hempfield Township
 Joseph Robinson, Finance Director
 717-898-3100
 Email – joseph@easthempfield.org

New Hanover Township
 Jamie Gwynn, Manager
 610-323-1008
 Email – jgwynn@newhanover-pa.org

Souderton Borough
 P. Michael Coll, Manager
 215-723-4371
 Email – mike@soudertonborough.org

FEES

Please provide the following information regarding fees:

Regular Actuarial Services

| | |
|---|---|
| Annual fee in years in which an actuarial valuation Report is required under Act 205: | <u>\$3,500 per plan/per year Total Comprehensive Fee</u> |
| Annual fee in years in which an Actuarial Valuation Report is not required under Act 205: | <u>\$1,500 per plan/per year Total Comprehensive Fee</u> |

Additional Services

| | |
|--|---|
| Hourly billing rates for principal actuary assigned to the Plan: | <u>\$ \$0 No Additional Fees</u> |
| Hourly billing rates for actuarial support staff assigned to the Plan: | <u>\$ \$0 No Additional Fees</u> |

Below is a complete list of our Actuarial, Accounting, Consulting and Compliance Services:

Actuarial Services

- Prepare and finalize the biennial Commonwealth of Pennsylvania forms PC-201C, PC-202C, or PC-203C, as required under Act 205 of 1984, for filing with the Public Employee Retirement Commission. (Certified by Enrolled Actuary and Certified Public Accountant)
- Prepare and finalize the biennial actuarial valuations which accompany the completed Act 205 Reports. (Certified by Enrolled Actuary)



- Prepare biennial Plan Participant Summaries, or more frequently if requested.
- Provide actuarial cost and benefit studies, on request, for all proposed benefit modifications.
- Calculate pension benefit options for retiring plan members.
- Provide other actuarial services for all Pension Plans, as needed, including annual GASB 68 reports for local government reporting.

Accounting Services

- Determine reporting requirements under the Government Accounting Standard Board Statements, generally GASB No. 25 as updated through GASB 67, and provide annual GASB Financial Statements for all pension plans.
- Provide specific pension plan information and reports to external CPA firm relative to the annual audit of the municipalities General Purpose Financial Statements.
- Develop or refine procedures for reporting data required by the municipality and the State, such as records, logs, financial statements, actuarial studies, etc. with emphasis on strict compliance and timely filing.
- Provide participant, retiree, and insurance rosters at least annually detailing all information required by the Department of the Auditor General or the municipality.
- Provide annual members' contribution roll forward statements detailing all contributions, interest earned in accordance with the plan document, and balances by participant.
- Provide accumulated balances for refunds of terminated, non-vested members' contributions.
- Develop a Policy and Procedure Manual detailing general state compliance and reporting requirements, as well as plan specific documents and procedures.

Consulting/Compliance Services

- Meet with municipal officials on a periodic basis to review the needs of all municipal pension plans and to establish a customized action plan for the delivery of pension services and resolution of any funding discrepancies.
- Determine the annual State Aid Program allocation consistent with each pension plan's specific cost structure or unit value determination.
- Advise on all general Act 205 and Act 600 compliance and reporting issues.
- Determine and advise on compliance requirements specifically relating to Act 600 and the Police Pension Plan's need for or ability to reduce or eliminate members' contributions.
- Prepare and submit timely analysis, based on most recent financial information and actuarial cost studies, to the Police Pension Board for current evaluation of the future need for members' contributions to the Plan.
- Review the annual AG-385 Certification Form and recommend alterations, as needed.
- Prepare the annual Minimum Municipal Obligation (MMO) worksheet with subsequent follow-up to assure timely submission, budgeting, and funding implementation.
- Review and advise on Act 147 Ad Hoc reimbursement on Form AG 490, as needed.
- Review and advise on the resolution of current and future Audit Findings, if any, issued by the Auditor General's Office.
- Provide actuarial analysis and consulting advice as part of Police or Non-uniformed employee contract negotiations and proposed collective bargaining agreements relative to pension issues.
- Provide expert testimony and actuarial, accounting, and administrative
- Review and advise on overall pension plan design and operations.



Act 44 DISCLOSURE FORM

IDENTIFICATION OF CONSULTANTS & RELATED PERSONNEL

CONSULTANTS: (See “**Definitions**” – page 2) Any entity who currently provides service(s) or is submitting a proposal to provide services by means of a Professional Services Contract to the Municipal Pension System(s) of the **Requesting Municipality**, please complete all of the following:

Identify the Municipal Pension System(s) for which you are providing information:

Indicate all that apply with an “X”: **Non-Uniformed Plan** **Police Plan**

Fire Plan

****NOTE:** For all that follow, you may answer the questions / items on a separate sheet of paper and attach it to this Disclosure if the space provided is not sufficient. Please reference each question / item you are responding to by the appropriate number. (**example: REF – Item #1.**)

1. Please provide the names and titles of all individuals providing or prospectively providing professional services to the **Requesting Municipality’s** pension plan(s) identified above. Also include the names and titles of any advisors and subconsultants of the Consultant who provide or may provide professional services related to the **Requesting Municipality’s** pension plan(s) identified above, identifying them as such. After each name provide a description of the responsibilities of that person with regard to the professional services being provided or to be provided to each designated pension plan.

Investment Management Team:

Barry W. Keck – Vice President, Senior Investment Analyst
Michael G. Davisson – Vice President, Senior Financial Advisor

Administrative/Custody Team:

Ronald H. Bittner – Vice President, Senior Consultant
Kelle-Ann Kichline – Senior Employee Benefits Account Officer
Fred A. Older – Municipal Pension Consultant

2. Please list the name and title of any *Affiliated Entity* and their *Executive-level Employee(s)* that require disclosure; after each name, include a brief description of their duties. (**See: Definitions**)



None

3. Are any of the individuals named in **Item 1 or Item 2** above, a current or former official or employee of the **Requesting Municipality**?

No



IF “YES”, provide the name and of the person employed, their position with the municipality, and dates of employment.

4. Are any of the individuals named in **Item 1 or Item 2** above a current or former registered Federal or State lobbyist?

No



IF “YES”, provide the name of the individual, specify whether they are a state or federal lobbyist, and the date of their most recent registration /renewal.

NOTICE: All information provided for items 1- 4 above must be updated **as changes occur**.

5. In the two year period immediately preceding the submission of this Disclosure Form, has the **Consultant** or an **Affiliated Entity** paid compensation to or employed any third party intermediary, agent, or lobbyist that is to directly or indirectly communicate with an official or employee of the **Municipal Pension System** of the **Requesting Municipality** (OR), any municipal official or employee of the **Requesting Municipality** in connection with any transaction or investment involving the **Consultant** and the **Municipal Pension System** of the **Requesting Municipality**?

No

This question does not apply to an officer or employee of the **Consultant** who is acting within the scope of the firm’s standard professional duties on behalf of the firm, including the actual provision of legal, accounting, engineering, real estate, or other professional advice, services, or assistance pursuant to the professional services contact with municipality’s pension system.



IF “YES”, identify: (1) whom (the third party intermediary, agent, or lobbyist) was paid the compensation or employed by the **Consultant** or **Affiliated Entity**, (2) their specific duties to directly or indirectly communicate with an official or employee of the **Municipal Pension System** of the **Requesting Municipality** (OR), any municipal official or employee of the **Requesting Municipality**, (3) the official they communicated with, and (4) the dates of this service.

6. In the two year period immediately preceding the submission of this Disclosure Form, has the **Consultant** or **Affiliated Entity**, or any agent, officer, director or employee of the **Consultant**, or an **Affiliated Entity** solicited any contribution to any municipal officer or



candidate for municipal office in the **Requesting Municipality**, or to the political party or political action committee of that official or candidate?

No

→ **IF “YES”**, identify the agent, officer, director or employee of who solicited the contribution and the municipal officials, candidates, political party or political committee to whom such contribution was solicited.

7. In the two year period immediately preceding the submission of this Disclosure Form, has the **Consultant** or an **Affiliated Entity** made any contributions to a municipal official or any candidate for municipal office in the **Requesting Municipality**?

No

→ **IF “YES”**, provide the name and address of the person(s) making the contribution, the contributor’s relationship to the Consultant, The name and office or position of the person receiving the contribution, the date of the contribution, and the amount of the contribution.

8. Does the **Consultant** or an **Affiliated Entity** have any direct financial, commercial or business relationship (other than the contract to provide professional services to the pension plan(s) of the **Requesting Municipality**) with any official identified on the **List of Municipal Officials**, of the **Requesting Municipality**?

No

→ **IF “YES”**, identify the individual with whom the relationship exists and give a detailed description of that relationship.

9. Has the **Consultant** or an **Affiliated Entity** given any gifts having more than a nominal value to any official, employee or fiduciary – specifically, those on the **List of Municipal Officials** of the **Requesting Municipality**?

No

→ **IF “YES”**, Provide the name of the person conferring the gift, the person receiving the gift, the office or position of the person receiving the gift, specify what the gift was, and the date conferred.

10. Disclosure of contributions to any political entity in the Commonwealth of Pennsylvania **Applicability:** A “yes” response is required and full disclosure is required **ONLY WHEN ALL** of the following applies:

- a) The contribution was made within the last 5 years.
- b) The contribution was made by an officer, director, executive-level employee or owner of at least 5% of the **Consultant** or **Affiliated Entity**.
- c) The amount of the contribution was at least \$500 and in the form of:



1. A single contribution by a person in (b) above, **OR**
 2. The aggregate of all contributions by all persons in (b) above;
- d) The contribution was for
1. Any candidate for any public office or any person who holds an office in the Commonwealth of Pennsylvania;
 2. The political committee of a candidate for public office or any person that holds an office in the Commonwealth of Pennsylvania.

No

→ **IF “YES”**, provide the name and address of the person(s) making the contribution, the contributor’s relationship to the **Consultant or Affiliated Entity**, The name and office or position of the person receiving the contribution (or the political entity / party receiving the contribution), the date of the contribution, and the amount of the contribution.

11. With respect to your provision of professional services to the Municipal Pension plan(s) of the Requesting Municipality:

Are you aware of any apparent, potential or actual conflicts of interest with respect to any officer, director or employee of the **Consultant** and officials or employees of the **Requesting Municipality**?

No

NOTE: If, in the future, you become aware of any apparent, potential, or actual conflict of interest, you are expected to update this **Disclosure Form** immediately in writing by:

- Providing a brief synopsis of the conflict of interest (and);
- An explanation of the steps taken to address this apparent, potential, or actual conflict of interest.

→ **IF “YES”**, Provide a detailed explanation of the circumstances which provide you with a basis to conclude that an apparent, potential, or actual conflict of interest may exist.

12. To the extent that you believe that Chapter 7-A of Act 44 of 2009 requires you to disclose any additional information beyond what has been requested above, please provide that information below or on a separate piece of paper.

None

Please provide the name(s) and position(s) of the person(s) participating in the completion of this Disclosure. **One of the individuals** identified by the **Consultant** in **Item #1** above must participate in completing this Disclosure and must sign the below verification attesting to the participation of those individuals named below.

Name: Michael G. Davisson

Name: _____



Position: Vice President

Position: _____

Name: _____

Name: _____

Position: _____

Position: _____

Paul S. Davis

Signature

Vice President

Title

12/15/17

Date



VERIFICATION

I, Michael G Davisson, hereby state that I am Vice President for Univest Municipal Pension Services and I am authorized to make this verification.

I hereby verify that the facts set forth in the foregoing Act 44 Disclosure Form for Individuals/Entities Submitting Proposals for Professional Pension Services to East Cocalico Township are true and correct to the best of my knowledge, information and belief. I also understand that knowingly making material misstatements or omissions in this form could subject the responding Consultant to the penalties in Section 705-A(e) of Act 44.

I understand that false statements herein are made subject to the penalties of 18 P.A.C.S. § 4904 relating to unsworn falsification to authorities.



Signature

12/15/2017

Date



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

8/03/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).


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|--|--|-------------------------------|--------|---|--------------|-------------|--|-------------|--|-------------|--|-------------|--|-------------|--|
| PRODUCER Marsh & McLennan Agency LLC 18000 Horizon Way Mount Laurel, NJ 08054 | CONTACT NAME: Bomoni Alston PHONE (A/C, No, Ext): 856 380-7646 FAX (A/C, No): 866 795-1242 E-MAIL ADDRESS: balston@mma-ne.com | | | | | | | | | | | | | | |
| INSURED Univest Corporation of Pennsylvania 14 N. Main Street Souderton, PA 18964 | <table border="1" style="width: 100%;"> <tr> <td style="text-align: center;">INSURER(S) AFFORDING COVERAGE</td> <td style="text-align: center;">NAIC #</td> </tr> <tr> <td>INSURER A : Continental Casualty Company</td> <td>20443</td> </tr> <tr> <td>INSURER B :</td> <td></td> </tr> <tr> <td>INSURER C :</td> <td></td> </tr> <tr> <td>INSURER D :</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </table> | INSURER(S) AFFORDING COVERAGE | NAIC # | INSURER A : Continental Casualty Company | 20443 | INSURER B : | | INSURER C : | | INSURER D : | | INSURER E : | | INSURER F : | |
| INSURER(S) AFFORDING COVERAGE | NAIC # | | | | | | | | | | | | | | |
| INSURER A : Continental Casualty Company | 20443 | | | | | | | | | | | | | | |
| INSURER B : | | | | | | | | | | | | | | | |
| INSURER C : | | | | | | | | | | | | | | | |
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| INSURER E : | | | | | | | | | | | | | | | |
| INSURER F : | | | | | | | | | | | | | | | |

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

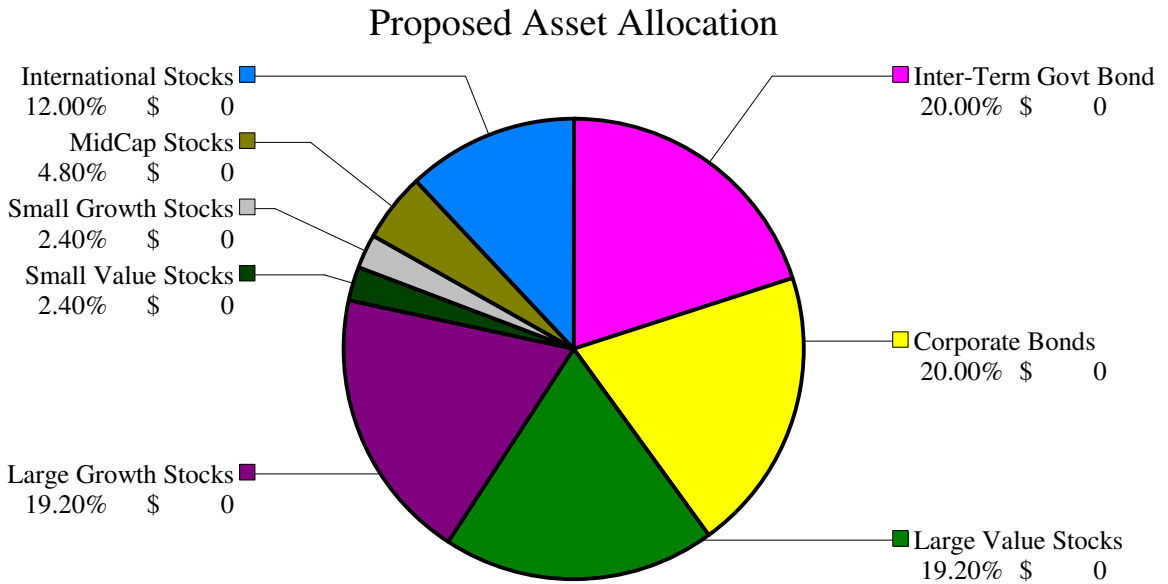
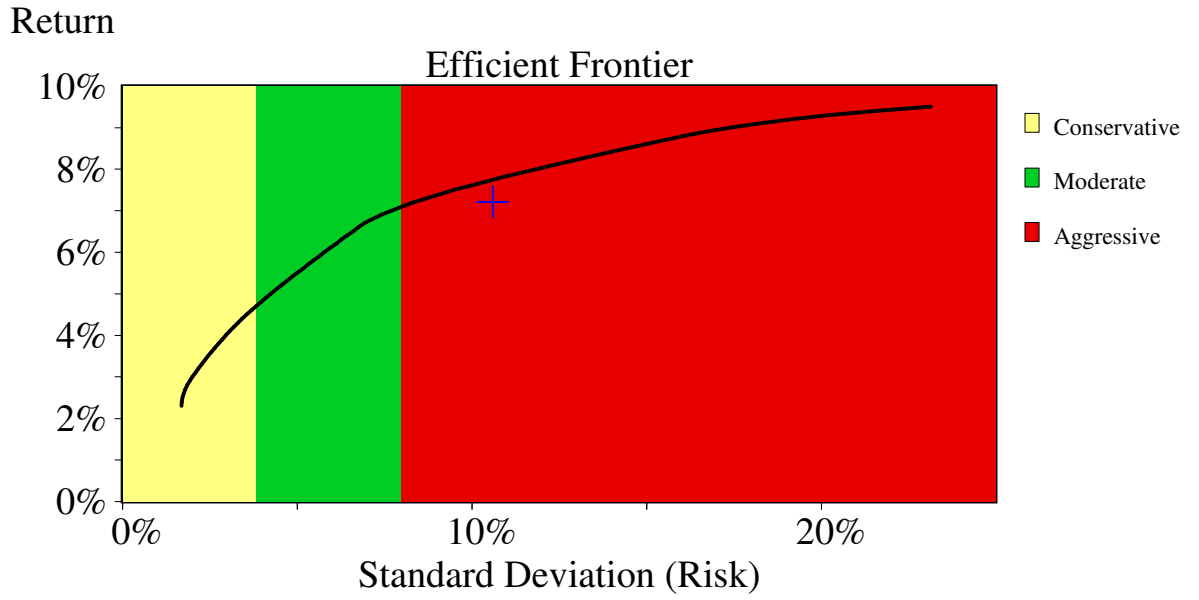
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE | ADDL INSR | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|----------|--|-----------|----------|------------------|-------------------------|-------------------------|--|
| | COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR <hr/> GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER: | | | | | | EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$ |
| | AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS | | | | | | COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ |
| | UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$ | | | | | | EACH OCCURRENCE \$ AGGREGATE \$ \$ |
| | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y / N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | | N/A | | | | <input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$ |
| A | Financial Inst Bond | | | 596702138 | 07/20/2017 | 07/20/2018 | \$10,000,000 Limit \$250,000 Retention |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Evidence of Insurance

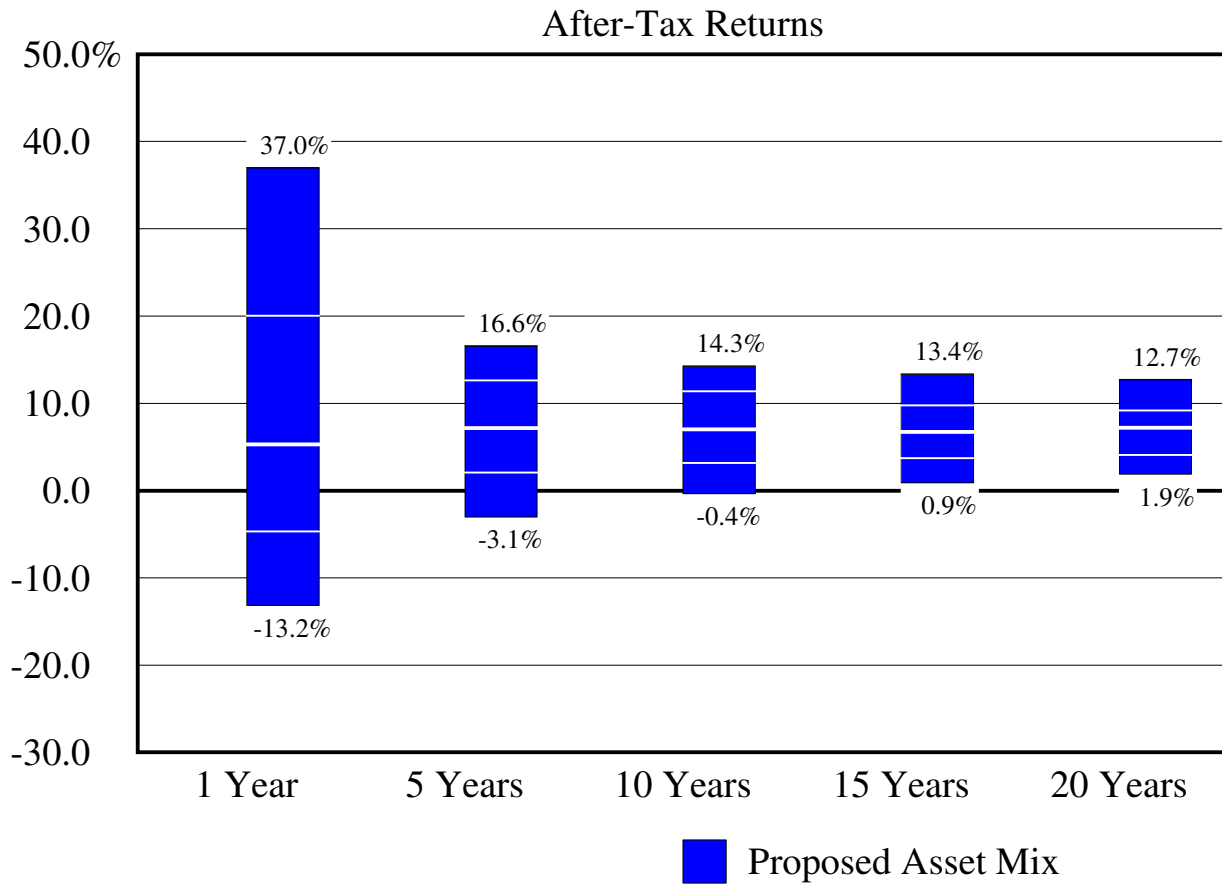
| | |
|--|--|
| CERTIFICATE HOLDER Univest Corporation of Pennsylvania 14 N. Main Street Souderton, PA 18964 | CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. <hr/> AUTHORIZED REPRESENTATIVE  |
|--|--|

Efficient Frontier: Non-Qualified Assets - Proposed Mix



| | <u>+Proposed</u> |
|----------------------|------------------|
| Before-Tax Return | 7.21% |
| After-Tax Return | 7.21% |
| Std Deviation (Risk) | 10.60% |
| Sharpe Ratio | 0.44 |
| Yield | 3.18% |

Simulation Analysis - Range of Returns



| <u>Probabilities</u> | <u>Year 1</u> | <u>Year 5</u> | <u>Year 10</u> | <u>Year 15</u> | <u>Year 20</u> |
|-------------------------|---------------|---------------|----------------|----------------|----------------|
| Proposed | | | | | |
| 98% - (2 sd) Best Case | 37.0% | 16.6% | 14.3% | 13.4% | 12.7% |
| 84% - (1 sd) | 20.0% | 12.6% | 11.4% | 9.8% | 9.2% |
| 50% - Expected Case | 5.3% | 7.2% | 7.0% | 6.7% | 7.2% |
| 16% - (-1 sd) | -4.7% | 2.0% | 3.2% | 3.7% | 4.1% |
| 2% - (-2 sd) Worst Case | -13.2% | -3.1% | -0.4% | 0.9% | 1.9% |

Note: "sd" = standard deviation

The simulated range of average annual returns for the Present and Proposed Composite Asset Mixes are shown over the projection period. The entire range of returns covering the best case to worst case outcomes are represented by the bars. There is a 98% chance of realizing a return that is greater than the simulated worst case return. And, there is a 2% chance of exceeding the simulated best case return. The range of average returns narrows over longer time periods and for more conservative portfolios. PLEASE REFER TO THE MONTE CARLO SIMULATION METHODOLOGY PRINTED REPORT PAGE FOR MORE INFORMATION REGARDING THE METHODOLOGY, LIMITATIONS AND KEY ASSUMPTIONS OF MONTE CARLO SIMULATION.

Monte Carlo Simulation Methodology

Introduction

Monte Carlo Simulation is a technique for simulating real-world situations that involve elements of uncertainty. Assumed values for uncertain variables are generated over and over to simulate the range of real-world possibilities.

Monte Carlo Simulation is named after Monte Carlo, Monaco, where the primary attractions are casinos containing games of chance. Games of chance exhibit random behavior. Monte Carlo Simulation selects variable values for a simulation model in a fashion similar to the random behavior exhibited in games of chance.

How Monte Carlo Simulation Works

Monte Carlo Simulation refers to a mathematical analysis meant to imitate reality in order to determine the likelihood of a particular result or set of results. This type of analysis is especially useful if the situation contains elements of uncertainty that are difficult or too mathematically complex to reproduce. A Monte Carlo Simulation is produced by projecting a situation many times and then measuring the number of simulations resulting in particular outcomes. This analysis will not help you "beat" the market.

Asset Analysis

Monte Carlo Simulation (tool) provides information on the likelihood that your assets will last through retirement. The tool simulates different rates of return to be used over your retirement period to more accurately reflect the volatility in rates of return that you may experience on your assets over time. The tool will insert a different rate of return for each year (or month-depending on the tool) during your pre-retirement and/or retirement period. The expected rate of return is based on your current, overall asset allocation and assumes annual rebalancing.

The tool will replicate this process hundreds or thousands of times and will tally how many times your assets last through your retirement period and how many times they did not. For each of the simulations, if the assets had a balance greater than zero at the end of the period, the tool will count this particular simulation as a "success". If there was a zero or negative balance then the tool will count this as a "failure". All "successes" are tabulated and compared against the "failures" to give you a percentage or probability that your assets will last through retirement. For example, if there were 300 "failures" and 700 "successes", then the probability of your assets lasting over your retirement period would be 70%

Analysis of Rate of Return

Another component of the report is an analysis to calculate the likelihood that you will achieve the expected target rate of return as identified in your initial scenario. For example, if you stated, on average, that you expect a 6% rate of return, the tool will perform the same analysis as identified above and will tally how many times your portfolio had an expected average rate of return of 6% or greater. This would be counted as a "success". In addition, in the hundreds or thousands of Monte Carlo Simulations performed, if the tool recorded 650 instances when the expected average rate of return was 6% or greater and recorded 350 instances when the expected average rate of return was below 6%, then the probability of your average rate of return achieving your target return (6%) would be 65%.

Use of Standard Deviation & Correlations

Standard Deviation is an important concept in understanding Monte Carlo Simulation. Standard Deviation for an Asset Class represents its estimated average annual investment risk during each year of the projection period. It measures the potential magnitude of any positive over-performance or negative under-performance of an Asset Class from its Expected Return. The higher the standard deviation, the wider the range of returns possible in any one year. Assuming a normal bell curve for returns, two standard deviations represent approximately 95% of possible outcomes. In this analysis, the Monte Carlo Simulation always assumes the maximum of two standard deviations; therefore, results will vary from the report approximately 5% of the time. As with any portfolio allocation, there is a risk that the estimated rate of return is higher or lower than that estimated, based on the approximate 4% excluded from the analysis.

Standard Deviation

The tool randomly selects rates of return based on a range of returns using both the expected total rate of return and the standard deviation (risk) for each asset class that you own in your portfolio. The tool uses the data listed on the "Efficient Frontier - Proposed Asset Classes" page to perform the calculations.

Correlations

Correlations are also used in the tool and compares assets to one another. The Correlations measure the degree of relationship between two Asset Classes and are a standardized measure which can be between -1.00 and +1.00.

Interpreting Correlations

- Perfectly Positively Correlated: The Correlation is +1.00. The returns of two Asset Classes move exactly in lock-step with one another.
- Perfectly Negatively Correlated: The Correlation is -1.00. The returns of two Asset Classes move in exactly opposite directions from one another.
- Uncorrelated: The Correlation is 0.00. Two Asset Classes have no relationship between the movement of their returns.

Assumptions

In order to perform the simulations, the tool must have a beginning basis for factors that affect your situation. The specifics of your situation have been entered in the analysis data you provided and include, but are not limited to, historical market returns, standard deviation (risk), withdrawal amounts, contribution amounts, retirement periods, and income and expense estimates.

Monte Carlo Simulation's Use of Asset Classes

The Monte Carlo Simulation calculations are based on asset classes rather than specific securities or investments. Each security is categorized under an assigned asset class and that asset class has a corresponding index. This index is used to view historical performance and standard deviation (risk) characteristics, as well as, in any estimates for future possible performance and standard deviation (risk) characteristics.

Monte Carlo Simulation's Asset Class Assumptions

The asset class assumptions used in the Monte Carlo Simulation are located on the Scenario Assumptions page in the printed report. The key elements in determining Asset Class Capital Market Assumptions include, but are not limited to, quarterly reviews of the markets, expected future results based loosely on historical performance, quarterly reviews by analytical people who are close to the industry and understand portfolio modeling techniques, historical data contained in our Index Histories Database, etc.

Limitations

The average outcome is the outcome with the highest specific probability; however, averages can be misleading. For example, assume it takes an average of 30 minutes to get to the airport gate. If you leave for the gate just 30 minutes before takeoff, you'll miss your plane half of the time!

Changes in Your Financial Situation May Vary these Results

Since Monte Carlo Simulation is based on a number of factors which you provided, if your financial situation changes, the results of the report may vary. For instance, if your asset allocation changes, the simulation results may also change because asset allocation is a primary factor in the analysis. In addition, if you change any other factor relied upon for the simulation such as your expected target rate of return, withdrawal(s), income, or expenses, your results may vary.

IMPORTANT The projections or other information generated by the Monte Carlo Simulation tool regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.

Product Selection

The Monte Carlo Simulation (tool) calculations are based on asset classes rather than specific securities or investments. The tool does not provide preferential treatment to any specific security or investment.

Conclusion

Statistics tell us that if you flip a coin, the probability is 1 out of 2 (50%) that the coin will land heads up. A simulation analysis could be performed that flips the coin many times. The results of such an analysis would confirm that the probability of heads is 50%.

With the roll of the dice, a simulation analysis might be used to determine the probability of rolling any number between 2 and 12 on a set of dice. The results should show that the probability of rolling a 7 is 6 out of 36 or 16.67% and the probability of rolling a 2 is 1 out of 36 or 2.78%.

These examples illustrate applications of a simulation analysis where the results are known based on statistics. Your financial future is less predictable because many factors are involved. A simulation analysis helps illustrate and measure possible financial futures and measure the probability of achieving them; therefore, providing clients information on their retirement situation.

If you have questions about this report, please contact your financial advisor