

**Brian Wrubel**

President and CEO  
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180 North LaSalle Street  
Chicago, IL 60601

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**RE: 2014 Marquette Firm Update**

Dear Client,

As Marquette enters our 28th year providing high-quality **investment consulting services** and performance to our clients, I wanted to take a moment to thank you. We appreciate the trust each client has placed in Marquette and thank you for your continued support. We take this responsibility very seriously and completely understand the impact our recommendations have on client portfolios. We regard our independence as critical to providing clients with the best research and advice in the marketplace.

**Expanding client service capabilities**

2013 was a very strong year for the stock market, which helped client portfolios grow substantially. Marquette continues to expand as well to stay ahead of our clients' expectations. We ended the year with a diverse base of over 200 clients and more than \$100 billion in assets under advisement. We were lucky enough to add over fifteen clients this year across our Taft-Hartley, public fund, healthcare, endowment and foundation, and corporate client groups. As of year-end, Marquette was the 26th largest consulting firm in the United States. However, our aim is not to be the largest — it's to be the leader in client service and risk-adjusted returns. We work towards this vision every day by serving a single mission — enable institutions to become more effective investment stewards.

The area I am most proud of is our 99% client retention rate as we have grown over the past five years. Our primary focus is taking care of this loyal client base. Our diverse staff now stands at 56 strong, dedicated to serving our clients. We are proud of our growth but most importantly the stability of our staff and what that means to Marquette clients. The consulting team collectively averages 12 years with Marquette — which speaks volumes about our culture. We have successfully provided our investment professionals with opportunities to grow with Marquette. This results in diligently researched investment recommendations based on vast experience with the specifics of client investment programs.

To help continue this steady firm growth, I am pleased to announce that we have **added four new owners**, bringing our total to fifteen. At the beginning of this year, Greg Leonberger, Dave Smith, Jamie Wesner and Miguel Zarate joined our ownership group. This continues the longstanding Marquette tradition of showing our commitment to our investment professionals by expanding ownership — allowing for more continuity and longevity in our client relationships. We will continue to follow this tradition in the future as our next group of professionals develops. Please congratulate our new owners at your upcoming meetings.

The newest addition to our senior consulting staff is **Kweku Obed**, who joins the firm from Mercer Investment Consulting. Kweku has more than 15 years of investment experience that includes work in the fixed income research group at Merrill Lynch. He holds a B.S. with honors in economics from Queen Mary College, University of London and an M.S. in development economics from SOAS, University of London. 2013 saw the addition of two other senior consultants from the **acquisition of Archstone Portfolio Solutions**. Our shared investment stewardship culture and dedication to nonprofits made this combination a natural next step in the evolution of the firm. Archstone brought additional expertise in serving endowments and foundations to Marquette, as well as leadership in the geographic region. The Archstone team has significant industry experience in asset management, which continues our practice of adding leading industry professionals.

During the year, as we continued to build our investment team, we also expanded our consulting practice. We now offer several levels of services all consistent with our core consulting business focus. Traditional consulting remains our largest client segment. In 2011, we began offering discretionary investment consulting. We now have over \$2 billion in assets and nine clients utilizing our discretionary services. As this segment continues to grow, we will continue to commit the resources necessary to support this effort.

### **Careful research for complex markets**

Our research group, led by Greg Leonberger and Kelli Schrade, produced numerous client-oriented research publications in the past year. Our webinars continue to be increasingly popular, with both our **Investment Manager Search 2013** and **2014 Market Preview** webinars setting new attendance records. We will continue to provide topical, timely fiduciary education as the markets become more complex and challenging to decipher. To access the latest research, **please visit our website** or ask your consultant.

The centerpiece of our research effort was on display at the **2nd annual investment symposium**. We had another very successful conference and thank all of you who were able to attend. Our **symposium briefing video** features highlights for those who missed

it. Videos of three sessions — [\*\*Emerging Trends in Alternative Asset Classes, Stress Test and Spending Policies for Endowments\*\*](#) and the keynote [\*\*Blind Spots - Research Examining Unethical Business Behavior\*\*](#) — are available to Marquette clients. You can register for access to client-only research by simply clicking “Register” when asked to login and filling out the brief registration form or contacting your consulting team. The [\*\*2014 investment symposium\*\*](#) is scheduled for September 12th in downtown Chicago. Please mark your calendar now as we will have several outstanding speakers you will not want to miss to complement our research staff and consultant presenters. We’re pleased to announce our first speaker, Harry Kraemer, Jr. of Madison Dearborn Partners, who will speak about values-based leadership.

Marquette’s newest member of the research group is [\*\*Ben Mohr\*\*](#), a senior research analyst focused on fixed income. Ben’s extensive experience ranges from private equity to advising on public bond offerings. Ben holds a B.S. in economics from the California Institute of Technology and an M.B.A. in finance and accounting from the University of Chicago Booth School of Business.

#### **Supporting service as we grow**

To help our firm maintain excellent client service as we grow, Marquette has added key support staff each year. In 2013, we brought [\*\*Karissa McDaniel\*\*](#) on board in the new role of chief administrative officer. She joined Marquette from BPI Group, a human resources consulting firm. Karissa oversees human resources, infrastructure and the administrative team. Her depth of experience in talent management and process improvement will help us keep clients first and foremost far into the future. Karissa began her career in investment management at State Farm Insurance. Karissa holds a B.S. in accounting from the University of Illinois and an M.B.A. from the Kellogg School of Management at Northwestern University.

#### **Client survey — How can we improve in 2014?**

We thank you for your support and friendship and look forward to another year of growth and prosperity in 2014. Your ongoing trust is greatly appreciated and we will continue to place client needs first to meet your high standards in the future. To help us continue to exceed your needs in the year ahead, please take a moment to complete our brief client survey by clicking on the link in the email you received with this firm update.

Sincerely,



Brian Wrubel  
President and CEO