

Investment Management RFP from the The Longbrake Family Foundation (April 2013)

Please provide the following information about your firm.

I. Background & Personnel

- a. Describe your firm, its history, size and areas of focus. If you are part of a larger organization, please provide this information for both your specific practice, as well as for your parent company.
- b. Identify the individuals who would have direct day-to-day responsibility for servicing the account and communicating with the foundation? Please provide brief bios and the responsibilities for each individual who would have a relationship with the foundation. For the foundation's primary point of contact, include a more in depth biography with specific attention to his/her experience working with private foundations.
- c. Describe the types of clients served by your firm. Please include the number of each type and overall assets managed by type.
- d. Describe your experience with advising foundations.
- e. Provide a sample list of foundations you personally advise.

II. Contracting and Insurance

- a. Does your firm enter into a written agreement with a client which describes your relationship with the client and your responsibilities? If so, please attach a sample.
- b. Specify the services you will commit to provide.
- c. Describe other ancillary services your firm provides and whether such services are available as a part of the overall relationship or whether they are available on a fee for service basis.
- d. Please attach your Form ADV.
- e. Describe your Errors and Omissions coverage.

III. Investment Policies

- a. Please provide a critique of our attached investment policy.
- b. Describe your approach to drafting or revising investment policies.
- c. Explain how your firm works with foundations to address Mission Related Investing and Program Related Investing in its investment policy and in the management of its investments.

IV. Asset Allocation

- a. Describe your general approach to asset allocation for private foundations.
 - Explain how you develop risk, return and correlation assumptions for asset allocation.
 - Describe how you decide which asset classes to recommend and in what quantity.
 - Provide samples of typical asset allocations for foundations.

- b. Explain your experience in developing asset allocation specifically for foundations.
- c. Provide a 1, 3, 5 and 10-year history of portfolio returns for individual asset classes and for one or more model portfolios.

V. Investments

- a. Indicate whether you serve only as an investment advisor or whether you engage directly in investment management.
- b. If you serve as an advisor, please provide the following information:
 - Describe the universe of investment managers to which you have access including traditional long-only investments and alternative investments.
 - Describe your manager selection process including due diligence and on-going risk management.
- c. If you engage directly in investment management, please provide the following information:
 - Please articulate completely your methodology for selecting specific investments.
 - Describe how you manage the potential conflict of interest inherent in serving as both advisor and investment manager.
 - Do you recommend investment products proprietary to your firm or affiliates of your firm? If so, explain why you would recommend proprietary products rather than those offered by disinterested third parties. Describe how you manage the potential conflict of interest inherent in recommending proprietary investment solutions.
 - Describe the investment universe that you can research and recommend for traditional investments (e.g. long-only stocks and bonds).
- d. Please provide information about the following:
 - Describe whether a private foundation should include alternative investments in its investment portfolio and the advantages and disadvantages.
 - Discuss risks and other considerations a private foundation should consider with respect to the use of alternative investments?
- e. Explain whether your firm is restricted from researching or recommending any investment managers or investment structures?

VI. Mission Related Investing (MRIs) and Program Related Investing (PRIs)

- a. Describe your firm's experience and the experience of the principal manager assigned to our account with respect to MRIs and PRIs.
- b. Explain whether and to what extent your clients currently have MRI or PRI investments.
- c. Discuss how your firm would work with a private foundation to develop MRIs and PRIs.

VII. Reporting

- a. Discuss the type and frequency of reports you provide. Please provide examples of the types of reporting that you would supply the foundation.
- b. Explain how you evaluate investment performance, including use of benchmarking to standard and/or customized indices.
- c. Explain whether your firm is able to customize performance reports.
- d. Discuss how you assess investment manager performance and conduct risk assessments. Explain how this information is provided to the foundation.

VIII. Custody

- a. If you were the foundation's advisor, identify the company you use or would recommend for custody services.
- b. Describe the kinds and frequency of documentation provided by the custodian.
- c. Explain whether the foundation would have online access to its accounts. Please describe.
- d. Explain whether the foundation would have access to check-writing?

IX. Implementation

- a. If the foundation were to retain your services, explain the transition process from our current investment manager, including a timeline for implementation.
- b. Explain your approach to engaging in the ongoing relationship between your firm and the foundation.

X. Fees and Expenses

- a. Discuss your fee structure, including whether you limit fees to assets under management or charge transactions fees in addition. Provide an estimate of total annual fees for an \$8 million portfolio. Explain whether your firm charges separately for ancillary services. If so, provide a list of fees.
- b. If the foundation elected to use mutual funds, explain what share classes would be available to the foundation on your platform and explain whether you or your firm would earn any revenue from frontend charges, 12b1 fees or other shareholder servicing fees?
- c. If the foundation elected to use separately managed accounts, describe what manager fees would the foundation typically be charged. Explain whether fees would be charged for custody and transaction. Explain whether you or your firm would be compensated in any way for individual account trades.
- d. If the foundation elected to use alternative investments, explain what placement fees, trailers, finder's fees or other revenues you or your firm receive.

- e. If you directly manage the investments what commissions, explain whether you charge for individual trades and the fees you charge, including spreads for bond trades.
- f. Describe your policy regarding gifts from money managers (e.g. tickets, meals, trips, etc.). Explain whether you engage in soft dollar transactions.
- g. Explain whether custody related fees are charged separately and, if so, provide a schedule of fees.
- h. Explain whether and to what extent your fees or revenues will be affected by the foundation's choice of investment products, asset allocation or other factors.

XI. References

- a. Please list at least three references of current clients that are private foundations.