

**RFP 19-01 Investment Management Services – Inquiries from January 23<sup>rd</sup>, 2019 through February 6, 2019**

1. The current investment policy was amended in December of 2018. Can you provide a list of those amendments?
  - a. Page 6, Summary of Asset Allocation Guidelines Chart: Maximum for Real Estate, Hedge Funds, Tangible Assets and Private Equity should be “N/A\*” with the asterisk below it stating \*If such assets are acquired, they will be subject to immediate liquidation in a timely manner.
  - b. Page 9/10, Alternative Investments: Remove Real Estate bullets and replace with the bullet: No direct investments with real estate.
  - c. Page 10, Alternative Investments: Remove Hedge Funds bullets and replace with the bullet: No direct investments with hedge funds.
  - d. Page 15, XII. Communications: Amend B. to read The Investment Manager is requested to provide a summary report via phone and in written form to the Executive Director and Assistant Treasurer on a quarterly basis to provide an update on the status of the portfolio. Add D. The Investment Manager is required to meet in person with the Finance Committee annually to give a review and answer any questions.
2. What is the investment growth target? Please refer to RFP 19-01 Attachment 1: Investment Policy, Section II. Investment Management Objectives.
3. What is the primary catalyst for this search? The Foundation is establishing a practice of requesting proposals for contracts in-line with the College’s procedures, which is every five years.
4. How long has the current investment manager been in place? There are currently three investment managers and they have been in place as follows: (1) 18 years, (2) 18 years, (3) 13 years.
5. Are there additional needs, such as commercial banking? A separate RFP will be posted regarding commercial banking.
6. Are there plans for a capital campaign or any other event that would significantly change the invested amount of the foundation over the next 5 years? We are currently 3.5 years into a 5 year, \$10 million capital campaign and have raised approximately \$5 million, therefore we are working to raise the remaining \$5 million.
7. Will the foundation be providing feedback to firms that are not selected? Yes, all firms will receive a response.
8. While section 3 of RFP details Investment managers are to invest according to IPS, would you like to see our recommendations that modestly increase the risk profile above that of the IPS which can help increase the probability of having a higher return? (Expected returns are lower which gives us some concern around meeting spending, inflation, and growth) We will be assessing proposals based on the current risk profile as these are the criteria the current Foundation Board is comfortable with so we do not need to see recommendations outside of this request.
9. Would you also be interested in seeing how lowering the spend rate below 4% impacts the future portfolio returns? No, the spend rate will remain at 4%.

10. While we are currently managing the portfolio to the IPS, the rise in market value to \$12M allows us to reduce the weighted average expense ratios of the managers as we can move from higher cost mutual funds to lower cost separately managed accounts. We can customize your portfolio, based upon the IPS and the preferences of the Foundation Board members. Operationally, more accounts will be added but the expenses will go down. Are you okay with the addition of separately managed accounts? **Yes, separately managed accounts will be an acceptable strategy.**
11. Have you considered impact investing in your portfolio? We have customized solutions that can target stocks that have sound environmental, social, and governance practices. **Impact investment strategy has not been discussed with the Foundation Board.**
12. Can you please advise why the Foundation going through this RFP process? **The Foundation is establishing a practice of requesting proposals for contracts in-line with the College's procedures, which is every five years.**
13. Would it be helpful to the Foundation if their investment partner could also provide fund accounting for the named endowment funds? **RFP 19-01 is strictly for Investment Management Services. Any other services will be announced through other requests and currently there is no desire to contract for endowment accounting services.**
14. While distributions have not been taking place in the portfolio we manage, will the new \$12M portfolio begin distributing the 4% (per the spending policy) on a regular basis, plus up to 2% for operating expenses? Were you distributing out of your other portfolio previously or letting it grow as the one we manage? **While we desire the option to spend 4% + 2% if needed, we may not necessarily spend the maximum amount in any given year. In the past, we have invested the majority of past returns to grow principal and expect to continue to do so.**
15. Are there any projected, significant inflows or outflows into the Foundation over the next 3-5 years? **We are currently 3.5 years into a 5 year, \$10 million capital campaign and have raised approximately \$5 million, therefore we are working to raise the remaining \$5 million.**