



SOUTH FLORIDA STATE COLLEGE FOUNDATION, INC.

REQUEST FOR PROPOSALS

FOR

RFP 19-01

INVESTMENT MANAGEMENT SERVICES

ISSUE DATE: January 23, 2019

South Florida State College Foundation, Inc.

13 East Main Street

Avon Park, FL 33825

www.southflorida.edu/support-sfsc

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SECTION 1: ADMINISTRATIVE INFORMATION

INTRODUCTION:

South Florida State College Foundation, Inc. (Foundation) is soliciting proposals to secure a contract for Investment Management Services. The Foundation seeks an experienced firm to provide advisory counsel and investment management services for a portfolio currently valued at approximately \$12 million.

OFFICIAL MEANS OF COMMUNICATION:

During the solicitation process for this RFP, all official communication between the Foundation and offering firms will be via postings on the South Florida State College Purchasing website at: <https://www.sfsc.edu/about/purchasing/current-bids/>. Notices may include, but are not limited to, any modifications to administrative or performance requirements, addendums or revisions to any part of the RFP, answers to inquiries received, clarifications to requirements, and the announcement of the winning proposal. **Proposing firms must carefully and regularly monitor the Purchasing website for any such postings.**

SCOPE :

This RFP provides instructions governing the proposal to be submitted, mandatory requirements which must be met to be eligible for consideration, criteria by which a firm may be selected, and the contractual terms by which the Foundation proposes to govern the relationship with the selected firm.

SCHEDULE OF ACTIVITIES

RFP Issue Date	January 23, 2018
Inquiries Due	February 6, 2019 by 2:00pm EST
Response to Inquiries	February 13, 2018
Proposal Submission Deadline	February 25, 2019 2:00pm EST
Selection of Finalists	March 4, 2019
Oral Presentations (if necessary)	March 26, 2019
Approval by Executive Committee	April 16, 2019
Approval by Foundation Board	May 14, 2019
Contract Start Date	July 1, 2019

INQUIRIES: Firms may make inquiries concerning this RFP to obtain clarification of requirements. No inquiries will be accepted after the date and time indicated in the Schedule of Activities. Send all inquiries to foundation@sfsc.edu.

Responses to inquiries will be published online as a separate item under RFP 19-01 Investment Management Services at <https://www.sfsc.edu/about/purchasing/current-bids/>.

MODIFICATION OR WITHDRAWAL OF PROPOSALS: Proposals may be modified or withdrawn by the offering firm prior to the established submission due date and time.

PROPOSAL SUBMISSION: To be considered responsive, proposals must be received on or before the date and time indicated in the Schedule of Activities. All proposals received will become part of the official files of South Florida State College Foundation, Inc. without any obligation on the part of the Foundation. Proposals received after the deadline will not be considered. Firms mailing their proposals are advised to allow sufficient mail delivery time to ensure receipt of their proposals by the time specified. The proposal package, (1) original and (1) electronic copy (by memory stick) of all materials, must be delivered or sent by mail to:

South Florida State College Foundation, Inc.
Jamie Bateman, Executive Director
13 East Main Street
Avon Park, FL 33825

Proposals must be submitted and sealed in a package clearly marked on the outside lower left corner:

RFP 19-01 INVESTMENT MANAGEMENT SERVICES
SEALED PROPOSAL

The Foundation reserves the right to reject any and all proposals in whole or in part, to withdraw the RFP, to waive informalities in the solicitation documents, and to obtain new proposals. The RFP does not obligate the Foundation to accept or contract for any expressed or implied services, nor does it obligate the Foundation to pay any costs incurred by respondents in the preparation and submission of a proposal. Each proposal shall be valid and binding for a period of ninety (90) days after the RFP submission due date.

ORAL PRESENTATIONS: Firms deemed most qualified, after initial evaluation, may be asked to make oral presentations by the evaluation committee. Such presentations will be at the firms' expense. The scheduled date for presentations is March 26, 2019.

AWARD OF CONTRACT: As described within the RFP, an Evaluation Committee will review and score proposals submitted and make a recommendation for award. The bid selected will be that which is found most advantageous to the Foundation. A contract must be completed and signed by all parties concerned. In the event the parties are unable to enter into a contract, the Foundation may elect to cancel the award and enter into negotiations with the next ranking bidder.

SECTION 2: BACKGROUND, OVERVIEW AND GOALS

ORGANIZATION:

The South Florida State College Foundation, Inc. was established in 1984 to receive and solicit charitable gifts for South Florida State College. Since that time, the Foundation has grown considerably in membership and assets while remaining faithful to its original philosophy and purpose. Today, the Foundation has established a portfolio of more than \$12 Million. The organization is the premier college foundation supporting South Florida State College in improving the educational opportunities of

students and enhancing the quality of life in the region through positive, value-added community and industry relationships.

The South Florida State College Foundation is governed by a Board of Directors comprised of community leaders who volunteer their time and talents to help ensure the organization achieves its mission. The Foundation is active in raising substantial gifts to provide scholarships, support academic programs and capital expansion. The organization's leadership work closely with the College President to help address the institution's advancement priorities. The Foundation serves as a charitable non-profit organization under Internal Revenue Code 501(c)3 designation, and retains fiduciary responsibility for the investment of the funds entrusted to it. More information about the Foundation can be found at <https://www.southflorida.edu/support-sfsc/about-the-foundation>.

ASSETS TO BE MANAGED:

The Foundation employs a total return policy for the total portfolio that is currently valued at approximately \$12 Million. The Board of Directors has adopted a spendable rate of 4% of the investments' fund balance averaged over three fiscal years ending December 30th. The investment pool represents funds intended to support long-term goals of the Foundation. Investment Managers are requested to base their proposals on providing long term investment returns in excess of the spending rate and in accordance with the investment policy.

A copy of the current Investment Policy statement is included as an attachment to this RFP.

AUTHORITY AND RELATIONSHIP:

The expectation is to establish a long-term relationship with the investment management firm(s) selected as part of this process, subject to periodic re-bid.

SECTION 3: SCOPE OF SERVICES

1. Investment managers will invest funds in accordance with the Foundations investment policy statement.
2. Investment managers will provide custom benchmarks to assess investment performance.
3. Investment managers will provide monthly electronic statements by the 10th day of the following month.
4. Investment managers are required to make presentations as outlined in the investment policy.
5. Investment managers will provide education and training to Board members and staff on investment topics as requested.
6. All pertinent changes in personnel of the investment firm as they relate to portfolio accounts should be reported as they occur.

SECTION 4: REQUIRED PROPOSAL INFORMATION

Proposals shall specifically address and include the following information:

- A. Company Information
 - 1. Year organized;
 - 2. Number of clients and type of clientele (defined by industry and size of portfolio);
 - 3. Number of investment related staff;
 - 4. Assets under management;
 - 5. Institution's current credit rating by rating agency;
 - 6. Number of offices located in the State of Florida;
 - 7. Location of corporate headquarters;
 - 8. Related organizations; and
 - 9. List of any current litigation or regulatory actions against the firm.
- B. Qualifications
 - 1. Resumes of principals and professional staff responsible for the account;
 - 2. Number of years of experience in investment management;
 - 3. Describe investment philosophy;
 - 4. Describe customer service philosophy;
 - 5. Include a list of your non-profit clients, specifically college and university foundations and endowments; and
 - 6. Include three (3) specific references that we may contact (clients most similar to South Florida State College Foundation in type and size and similar services requested).
- C. Reporting, Portfolio Evaluation and Review of Accounts
 - 1. Frequency of reporting to clients;
 - 2. Format of reports (include sample reports in proposal submission);
 - 3. Frequency of portfolio evaluation.
- D. Recommended Asset Allocation
 - 1. Recommended asset allocation and estimated annual rate of return for one, three, and five years based on past performance;
 - 2. Include an analysis of the efficient frontier;
 - The combinations of securities portfolios that maximize expected return for any level of expected risk, or that minimized expected risk for any level of expected return for the recommended asset allocation and a discussion of the risk/reward spectrum for the recommendation.
 - 3. For the investments included in the recommended portfolio, provide a current (December 31, 2018), one, three, five and ten year annual return.
 - 4. Provide investment performance of the colleges and endowments under your management for the last one, three, five years.

- E. Insurance
 - 1. Provide a list of applicable insurance coverage and include relevant coverage limits;
- F. Provide the name of the primary insurance carrier and related AM Best Rating.
- G. Research and Investment Decisions
 - 1. Provide internal and external research methods and resources; and
 - 2. Include processes for investment decision making process (committee, portfolio manager, external investment managers, etc.).
- H. Fees
 - 1. Indicate all fees for services; each service should be listed separately and a total cost provided for all services;
 - 2. Include a breakdown of the initial and ongoing consulting fees and the custodial and management fees as a percentage of the dollar value of the assets; and
 - 3. Include the frequency in which fees will be evaluated and the amount of any expected increase(s).
- I. Other Services
 - 1. Additional or alternative services that you are capable of providing that may be of benefit to the Foundation; and
 - 2. Include your experience in providing such services.

SECTION 5: EVALUATION CRITERIA

The Evaluation Committee will select a firm based on evaluation of proposals in accordance with the responses received to the criteria outlined below.

Qualified bidders must meet the following criteria:

- 1. Meet all specifications within the RFP or clearly indicate where your proposal deviates.
- 2. Show experience advising and reporting to similar sized non-profit organizations on the prudent management and oversight of portfolio funds.
- 3. The firm and all engaged personnel shall have all authorizations, permits, licenses, and certifications as may be required under federal, state or local law to perform the services specified in this RFP.

Following is the evaluation template that will be used to evaluate the respondents.

EVALUATION TEMPLATE

Category	Weight
Demonstrate successful past performance with similar-sized portfolios	17.5%
Competitiveness of fees	17.5%
Investment strategy	15%
Experience with similar non-profit institutions	15%
Quality of existing client relationships and industry references	15%
Ability to communicate effectively	10%
Reporting information	10%

The Foundation reserves the right to be the sole judge as to the overall acceptability of any proposal, or to judge the individual merits of specific provisions within competing offers; and its decision will be final. If oral presentations are requested by the Committee they will be scheduled on March 26, 2019.

The Foundation Board of Directors will have the final authority to approve the selection of an investment management firm. The contract will be awarded to the firm based on, but not limited to, the evaluation criteria listed in Section 5 and other factors that may be presented in the proposal and/or interviews.

ATTACHMENT: 1. Investment Policy



SFSC FOUNDATION INVESTMENT POLICY STATEMENT

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SFSC FOUNDATION INVESTMENT POLICY STATEMENT

I. PURPOSE OF INVESTMENT POLICY

The South Florida State College Foundation, Inc. (hereinafter, Foundation) is a Direct Support Organization that exists to provide benefits for South Florida State College and its students. The Foundation directors recognize that the obligations of the organization are long-term and that the investment policy should be made with a view toward performance and return over a number of years.

This policy is designed to provide a framework in which the Foundation's resources will be managed. The Board of Directors shall be responsible for establishing the overall policy and shall meet periodically to review it. The Finance, Budget and Loan Committee (hereinafter, Committee) members shall be appointed by the Foundation's President and shall be responsible for reviewing performance and making recommendations to the Foundation Board regarding significant revisions to this policy. The Executive Director of the Foundation shall be responsible for keeping the Finance, Budget and Loan Committee informed about significant events that may affect this investment policy.

The purpose of the investment policy is to assist the Committee to effectively supervise, monitor, evaluate, and report investment performance of the investment portfolio.

II. INVESTMENT MANAGEMENT OBJECTIVES

At a minimum, long term rates of return should be equal to an amount sufficient to maintain purchasing power of the assets and provide necessary capital to fund the Foundation's spending policy. As such, the desired minimum rate of return shall be equal to the Consumer Price Index (CPI) plus 400 basis points (4%) for spending and 200 basis points (2%) to help fund the operating budget and/or encourage a small amount of capital appreciation.

In light of this return requirement, the portfolio should be constructed using a total return approach with a significant portion of funds invested to grow principal over time. The assets are to be invested for the long term and a higher short-term volatility in these assets is to be expected and accepted.

The time horizon for these assets is perpetual. For strategic planning purposes, a minimum of five years will be considered for decision-making purposes. Capital values do fluctuate over shorter periods and the Committee recognizes that the possibility of capital loss does exist. However, historical asset class return data suggest that the risk of principal loss over a holding period of at least three to five years can be minimized with the long-term investment mix employed under this policy.

III. SPENDING POLICY

The spending policy for the Foundation shall be four percent annually as calculated on a three year moving average of the market value of the portfolio as of December 31st. Additionally, up to two percent (2%) of the market value of the portfolio may be used to offset operating expenses.

IV. RISK TOLERANCE

The Committee recognizes that prudent investing requires taking reasonable risks in order to raise the likelihood of achieving the targeted investment returns. Research has demonstrated that portfolio risk is best minimized through diversification of assets. The portfolio of funds will be structured to maintain prudent levels of diversification. In terms of relative risk, the volatility of the portfolio should be in line with general market conditions.

The Committee further recognizes that the risk of owning equities has been and should continue to be rewarded with a somewhat greater return than that available from fixed income investments. The role of fixed income investments is to reduce the volatility of the overall portfolio while providing a predictable stream of income.

V. RISK DISCLOSURES

As a component unit of South Florida State College, the Foundation is required under GASB 40 to make certain disclosures related to deposit and investment risk. Deposit and investment resources of the Foundation represent significant resources necessary for the delivery of educational services and programs. Financial statement users should know that risks are inherent in all deposits and investments and this element of risk could affect the Foundation's ability to provide resources and impact services.

By nature of its function, the Foundation's risk exposure is significantly greater than the deposit and investment risks of South Florida State College. In general, the common deposit and investment risks are related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.

Deposit and Investment Policy: The Foundation has deposit and investment policies related to each of these risks. The policy states that the Committee of the Board of Directors will review investment performance quarterly. The policy provides guidelines for the evaluation, retention, and replacement of individual investment managers, establishes appropriate benchmarks/indices used to evaluate each investment managers' performance, and establishes performance asset allocation targets and investment quality measures.

Risk Categories

Credit risk: The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Foundation would not be able to recover deposits or would not be able to recover collateral securities that are in the possession of an outside party. Therefore, the Foundation shall monitor deposits on account so as to avoid deposits that are not covered by depository insurance or are uncollateralized. In compliance with GASB and FASB standards, to the extent required, the Foundation will disclose in its annual financial statements the credit quality ratings of any external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities in which they invest.

Concentration of Credit Risk: The Foundation, with the assistance of its investment manager(s), shall implement policies and procedures to ensure adequate portfolio diversification. It is the Foundation's policy that, with the exception of U.S. Treasury and Agency obligations, no more than two percent (2%) of the fixed income portfolio at market shall be invested in a single issue

or corporate entity. If more than one investment manager manages fixed income, these restrictions apply separately to each portfolio. Furthermore, the Foundation and its investment manager(s) shall monitor the asset allocation to ensure investments are within established targets for quality and investment balances remain within the established target range for each asset category.

Interest Rate Risk: As an element of interest rate risk, GASB requires disclosures of investments that have fair values that are highly sensitive to changes in interest rates. The allocation of the Foundation's portfolio in Fixed Income investments susceptible to interest rate risk will be monitored not to exceed established targets in the approved investment policy. In cooperation with the investment manager(s), interest rate risk information will be organized by investment type and amount using one of the following methods:

- a. Segmented time distribution
- b. Specific identification
- c. Weighted average maturity
- d. Duration
- e. Simulation model.

Foreign Currency Risk: The Foundation is required to disclose any investment denominated in a foreign currency. The Foundation has limited its exposure to foreign currency risk by limiting the asset allocation in international investments in accordance with the established targets in the approved investment policy.

VI. UNDERWATER ENDOWMENT PROCEDURES

- A. Underwater endowments are those endowments where the market value (MV) of the endowment is less than its historic dollar value (HDV).
- B. The following procedures will generally be followed as a feasible means of demonstrating prudent management of institutional funds.
 1. All endowed funds are participants in the Foundation's investment portfolio. The portfolio is valued quarterly.
 2. Although the portfolio is valued quarterly, the comparison of MV to HDV will only be made once a year as of the end of each fiscal year (December 31). If the MV of an endowment is at or below the account's HDV as of any December 31, further spending from the endowment will not be allowed until the MV exceeds the HDV.
 3. In the event that the MV of any endowment falls significantly (more than 10%) during an intra-evaluation period, Foundation staff and the committee may reconsider spending decisions on a less than annual basis.
 4. The committee may decide to partially or fully restore the MV of endowment funds to equal the HDV from unrestricted funds.

VII. INVESTMENT PROCEDURES

The Committee is charged with the oversight of the investment portfolio of the South Florida State College Foundation. The role of the Committee with regard to the assets is delineated as follows.

- Establishing overall financial objectives and setting investment policy-
- Setting parameters for asset allocation-
- Establishing a process and criteria for the selection and termination of investment program managers, or custodians
- Selecting a qualified investment management consultant when needed
- Selecting qualified Investment Manager(s)
- Selecting a qualified custodian, when needed
- Monitoring investment results quarterly to assure that objectives are being met and that policy and guidelines are being followed
- Communication on a structured and ongoing basis with those persons responsible for investment results.

The Investment Manager(s) will be proactive in advising and making recommendations to the Committee regarding:

- Investment policy
- Asset allocation
- Performance evaluation
- Other investment matters
- Determining investment strategy-
- Implementing security selection and timing within policy guideline limitations.

VIII. ASSET ALLOCATION AND STYLE DIVERSIFICATION

Research suggests that the decision to allocate total assets among various asset classes will far outweigh security selection and other decisions that impact portfolio performance. The Committee recognizes the strategic importance of asset allocation and style diversification in the investment performance of the assets over long periods of time. Domestic and international equities both large and small capitalization, fixed income, cash equivalent securities, real estate and hedge funds have been determined to be acceptable vehicles for these assets. Additional asset classes and style strategies may be incorporated into the investment philosophy in the future.

A. Summary of Asset Allocation Guidelines:

After reviewing the long-term performance and risk characteristics of various asset classes, the following asset allocation strategy is incorporated to achieve the objectives of these assets:

Asset Category	Minimum	Target	Maximum
Cash	0%	0%	15%
Fixed Income	20%	35%	50%
Equity	10%	65%	70%
Real Estate	0%	0%	N/A*
Hedge Funds	0%	0%	N/A*
Tangible Assets	0%	0%	N/A*
Private Equity	0%	0%	N/A*

*If such assets are acquired, they will be subject to immediate liquidation in a timely manner.

There is no set minimum cash requirement; however, adequate liquidity should be maintained. Normal cash needs of the Foundation will be managed outside the portfolios of the Investment Manager(s). It is intended that Investment Manager(s) will be given ample notice for any withdrawals to reduce the probability of adversely affecting the portfolio. Additionally, any withdrawals will be funded on a pro-rata basis to ensure that the asset allocation after the withdrawals is within the investment guidelines as listed above.

B. Rebalancing Procedures

From time to time, market conditions may cause the investment in various asset classes to vary from the established allocation. At least on an annual basis, the Committee and their Investment Manager(s) will review both the specific asset allocation (equity versus fixed) and the style targets for possible rebalancing back to the target allocation, to ensure consistency with the asset allocation guidelines established by this investment policy. If the actual weighting goes above/below the maximum/minimum weighting intra-year, rebalancing may be recommended.

IX. SELECTION AND RETENTION CRITERIA FOR INVESTMENTS

A. Investment Management

Investment Manager(s) (including mutual funds) shall be chosen using the following criteria:

- The investment style and discipline of the proposed manager
- The size of the organization as measured by the amount of assets under management with respect to the investment style under consideration
- Experience of the organization as measured by the tenure of the professionals with respect to the investment style under consideration
- Past performance, considered relative to other investments having the same investment objective. Consideration shall be given to both performance rankings over various time frames and consistency of performance
- The historical volatility and down-side risk of each proposed investment
- How well each proposed investment complements other assets in the portfolio.

B. Individual Securities

The Committee desires to permit investment managers flexibility to maximize investment opportunities. However, it is cognizant of its responsibility to practice prudent management in order to conserve and protect the assets and to prevent exposure to undue risk. Exceptions to the guidelines stated below may be made upon special written approval of the Committee and shall be subject to annual review.

The Committee foresees the possibility of using mutual funds / collective trust funds / limited partnerships in the form of fund of funds hedge funds and understands that they would not have any control over the management of such funds with regard to guidelines

and restrictions. However, when possible, utilization of funds that generally comply with the investment guidelines stated in this Investment Policy is preferred.

1. Equity Holdings:

Security Types:

Equity securities shall consist of common stocks and equivalents (ADRs, issues convertible into common stock, etc.). Issues traded on the New York, American, Over the Counter, Regional Exchanges and foreign exchanges are appropriate. There are no specific constraints as to earnings record and dividend policy. For Investment Managers who manage international equity portfolios, up to 25% of the market value of the portfolio may be invested in emerging markets.

Diversification:

No more than seven percent (7%) of the market value of the equity portfolio shall be in one issue. (If more than one Investment Manager manages equities, this restriction shall apply separately to each equity portfolio.)

Quality:

- There are no qualitative guidelines with regard to equity ratings, etc., except that prudent standards should be developed and maintained by the investment manager(s).
- No more than the greater of ten percent (10%) or two times the sector weighting in the appropriate index can be invested in any one sector.

Restrictions:

Investment in the following is prohibited unless written permission is granted:

- Derivative investments (futures or option contracts) for speculative purposes (as opposed to protection of asset value -- *Covered call writing is permissible*)
- Investments in non-public equities are not permissible in the form of limited partnerships.
- Direct ownership of letter stock
- Restricted stock
- Venture capital
- Short sales
- Margin purchases or borrowing money
- Stock loans

2. Fixed Income Holdings:

Security Types:

Investment in obligations of the U.S. Government, including Treasury Inflation-Protected Securities (TIPS), U.S. Government Agencies, U.S. Corporate entities, Mortgage Backed Securities (MBS), Preferred Stock, Collateralized Mortgage

Obligations, Asset Backed Securities, Taxable Municipal securities, Commercial Mortgage Backed securities (CMBS), REIT debt, dollar denominated foreign bonds and loans to South Florida State College are permitted unless otherwise prohibited by investment restrictions or law.

Diversification:

With the exception of U.S. Treasury, Agency, and South Florida State College obligations, no more than two percent (2%) of the fixed income portfolio at market shall be invested in a single issue or corporate entity. If more than one Investment Manager manages fixed income, these restrictions apply separately to each portfolio.

Maturity:

The Investment Managers shall have responsibility for setting the appropriate maturity schedule for their portion of the assets based on the fund's investment objectives, risk profile and stated mandate (i.e. low duration, core, etc.) Based on current and expected market conditions, the Investment Managers should determine the structure that will yield optimal performance.

Quality:

- Each debt instrument selected for investment shall be subjected to credit analysis by the Investment Managers prior to inclusion in the portfolio. The minimum acceptable quality is investment grade at the time of purchase by Moody's Investor Service (Baa) or Standard and Poor's (BBB). The weighted average quality of the fund shall be AA+ or better. If the rating agencies have split ratings on an issue, the higher rating will apply in determining compliance with these guidelines.
- In the event that an issue is downgraded below investment grade, the Investment Manager will review the situation with the Committee, discuss the rationalization for holding the security, and propose a course of action.

Restrictions:

Investment in the following is prohibited without written permission:

- Private Placements (However, private placement medium term notes and securities issued under SEC Rule 144A are permitted)
- Municipal or other tax exempt securities
- Margin purchases or borrowing money to effect leverage into the portfolio
- Inverse floater, interest only and principal only mortgage structures

3. Alternative Investments

Real Estate

- No direct investments with real estate.

Hedge Funds

- No direct investments with hedge funds.

X. PERFORMANCE OBJECTIVES

The overall fund performance will be reviewed on a quarterly basis, with long term emphasis placed on results achieved over a three to five year period. Objectives will be reviewed annually and adjusted, if necessary, after consultation with the Committee, and Investment Managers.

A. Total Fund:

Overall fund performance will be compared to the performance of a similarly structured balanced index in line with the target allocation in each strategy. This custom index will be comprised of the S&P 500 Index (or Russell 1000 Index), Russell 2000 Index, EAFE International Index, Lehman Brothers Aggregate Bond Index, and Citigroup One-Month Treasury Bill Index and/or other appropriate indices. The Fund should at least equal the performance of the custom balanced index.

The Fund should rank in the top thirty-three percent (33%) of a nationally recognized evaluation service's universe for comparable funds over a rolling three to five year time period.

The volatility of investment returns, as measured by the standard deviation of quarterly returns, should be comparable to that of the custom index. Volatility greater than the benchmark is acceptable as long as returns are commensurate.

B. Equity Segment:

The performance of the domestic large cap equity portion is expected to meet or exceed the performance of S&P 500 Composite Index or the S&P Citigroup Growth/Value Index/Russell 1000 Growth/Value, depending on the manager's investment style.

The performance of the small capitalization equity portion should meet or exceed the performance of the Russell 2000 Small Stock Index or the Russell 2000 Value / Growth Index, depending on the manager's investment style.

The performance of the international equity portion should meet or exceed the performance of the Morgan Stanley Capital International's Europe Australia Far East (EAFE) Index.

The returns of each equity sub-classification should rank in the top thirty-three percent (33%) of a universe for comparable funds over a rolling three to five year time periods.

The volatility of investment returns, as measured by the standard deviation of quarterly returns, should be comparable to that of the segment's appropriate index. Volatility greater than the benchmark is acceptable so long as returns are commensurate.

C. Fixed Income Segment:

The performance of the core fixed income portion is expected to meet or exceed the performance of the Lehman Brothers Aggregate index or other appropriate index or mix of indices, which reflect the fixed income portion of the portfolio.

The returns of the fixed income portion should rank in the top forty percent (40%) of a universe for comparable fixed income funds over a three to five year time period.

The performance of the low duration fixed income portion is expected to meet or exceed the performance of the Merrill Lynch 1 – 3 Year Treasury index, Citigroup 3 Month Treasury Bill index or other appropriate index or mix of indices, which reflect the fixed income portion of the portfolio.

The cash equivalent investment performance results will be compared against the yield on one month Treasury Bill securities, MFR All Taxable Money Market index, and are expected to exceed the annualized rate of the Consumer Price Index (CPI).

The volatility of investment returns, as measured by the standard deviation of quarterly returns, should be comparable to that of the segment's appropriate index. Volatility greater than the benchmark is acceptable so long as returns are commensurate.

D. Alternative Investments:

No direct investments in real estate or hedge funds should be made, but if such assets are acquired, they will be subject to immediate liquidation in a timely manner.

XI. CONTROL PROCEDURES

A. Review and Evaluation of Investment Objectives:

The achievement of investment objectives will be reviewed on an annual basis by the Committee. This review will focus on the continued feasibility of achieving the objectives and the continued appropriateness of the investment policy statement. It is not expected that the investment policy statement will change frequently. In particular, short-term changes in the financial markets should not require an adjustment in the investment policy statement.

B. Review and Evaluation of Investment Manager(s):

1. The Committee will meet at least annually with the Investment Manager(s) or their representative(s). Additionally, with or without the Investment Manager(s), the Committee will review investment results quarterly.
2. These quarterly reviews will focus on:
 - The Investment Managers' adherence to the policy guidelines-
 - Comparison of the Investment Managers' results to the objectives established for each Investment Manager-
 - Comparison of the Investment Managers' results against universe of comparable funds investment styles-
 - Opportunities available in both the equity and bond markets

- Material changes in the Investment Managers' organizations, such as philosophical or personnel changes.
3. The Committee may discharge or replace an Investment Manager at any time it deems such action necessary and appropriate.
 4. Guidelines for evaluation, retention, and replacement of Investment Managers will be as follows:
 - Establish appropriate benchmark/index to which to compare Investment Managers' performance–
 - Establish performance target to outperform benchmark/index and to achieve investment returns:
 - In the top thirty-third percentile (33%) of peer universe groups for equities over a three to five year period
 - In the top fortieth percentile (40%) of peer universe groups for fixed income over a three to five year period
 - Monitor Investment Managers' performance on a quarterly basis and compare to selected index and peers with similar styles and objectives.
 5. An Investment Manager will be rated in a "Favorable Status" if they are delivering favorable performance and there are no outstanding organizational issues.
 6. An Investment Manager will be in a "Caution Status" if:
 - For Equities ÷
 - Investment Manager's three year performance is below the 50th percentile of their peer universe, or they are trailing the style benchmark, or
 - Investment Manager's five plus year performance is below the 33rd percentile of their peer universe, or they are trailing the style benchmark
 - For Fixed Income :
 - Investment Manager's three year performance is below the 50th percentile of their peer universe, or they are trailing the style benchmark, or
 - Investment Manager's five plus year performance is below the 40th percentile of their peer universe, or they are trailing the style benchmark.

- For Alternative Investments :

Real Estate

- No direct investments with real estate.

Hedge Funds

- No direct investments with hedge funds.

In addition to the above, immediate termination of managers should be considered:

- When they deviate from the Investment Committee's instructions-

- When they deviate substantially from their investment disciplines and process-
- When Committee members have any material problem or concerns regarding the Investment Manager.

XII. COMMUNICATIONS

- A. It shall be incumbent upon the Investment Manager to apprise the directors of all transactions. It is further requested that the investment manager provide monthly reports on the status of the investment portfolio and suggestions for investment changes.
- B. 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.
- C. The Directors shall notify the Investment Manager of all meetings at which a Performance Report will be reviewed.
- D. The Investment Manager is required to meet in person with the Finance Committee annually to give a review and answer any questions.

XIII. FLORIDA STATUTES

If at any time this document is found to be in conflict with dictates of the Florida Statutes, the Florida Statutes shall prevail.

XIV. REVIEW AND AMENDMENTS

It is the Foundation's intention to review this document periodically and to amend this statement to reflect any changes in philosophy, objectives or strategies. In this regard, the investment manager's interest in consistency in these matters is recognized and will be taken into account when changes are being considered. If at any time the investment manager feels that the specific objectives defined herein cannot be met, or the investment strategies constrict performance, the Directors should be so notified in writing.

Approved and adopted by the SFSC Foundation Board of Directors

January 20, 2009

Amended March 17, 2009

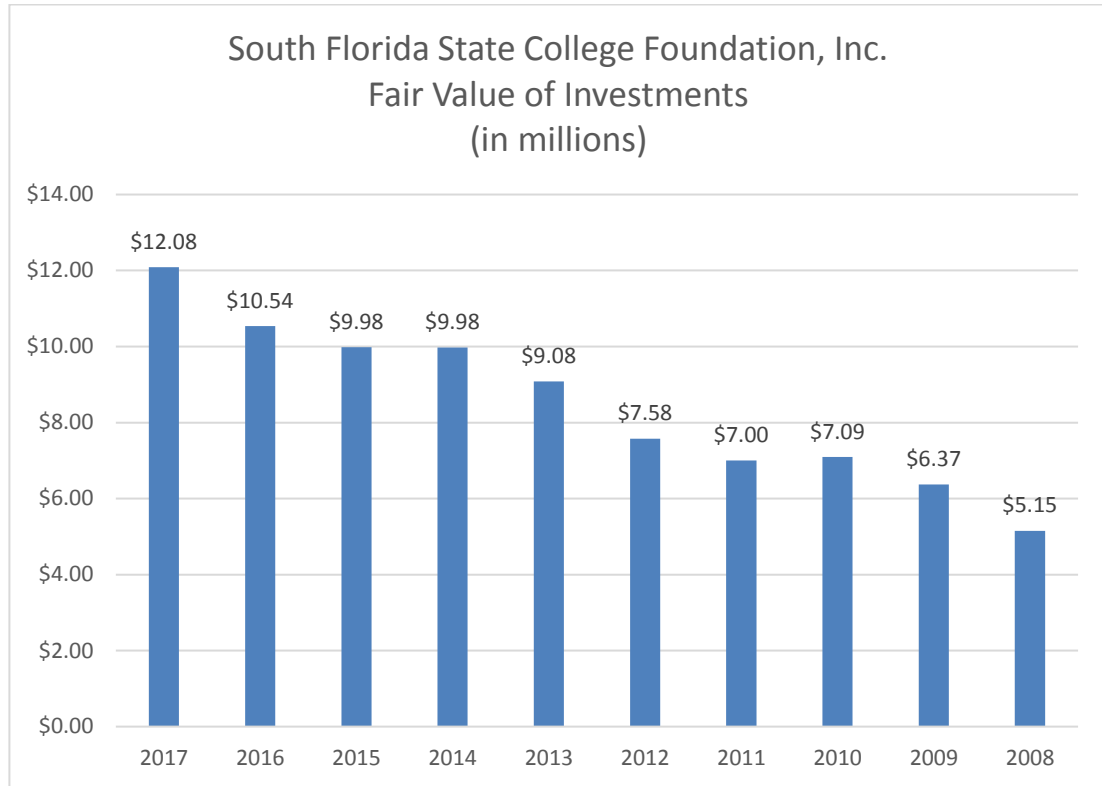
Amended (for name change) June 27, 2012

Amended September 8, 2015

Amended December 11, 2018

1.

ATTACHMENT 2: FAIR VALUE OF INVESTMENTS 2008-2017



NOTE: Fair values taken from audited financial statements as of each fiscal year end. Value of invested funds as of December 31, 2017 was \$12.08 million.