



TO: Interested Investment Management Service Providers

DATE: April 6, 2018

RE: Request for Information – Please respond by May 1, 2018

The Community Foundation is requesting information regarding investment management services for the Foundation's asset portfolio. Our Investment Committee is interested in learning about your firm, your services, and investment management style. This *Request for Information* (RFI) is the first of a two-step process. Following review of information received, the Foundation will communicate next steps to each RFI responder by June 1.

BACKGROUND

The Community Foundation of the Central Blue Ridge, a 501(c)(3) nonprofit corporation founded in 1992, exists to enrich the quality of life in the community by responding to needs and inspiring philanthropy. The Foundation serves the independent cities of Staunton and Waynesboro, and the counties of Augusta, Nelson, and Highland in Virginia.

The Foundation has assets exceeding \$25 million, approximately \$21 million of which is managed by the Foundation's primary investment advisor. We have added on average \$2.5 million in new assets annually, excluding the return on our investments, over the past three years. From our total assets we distribute approximately \$1 million annually in the form of grants to nonprofit organizations, scholarships to college-bound high school seniors and adult learners, and awards to individuals who exemplify excellence in education within our community.

Foundation funds are managed within a variety of component fund types, including unrestricted funds, field of interest funds, designated funds, donor-advised funds, agency funds, scholarship funds, and award funds. Additionally, approximately 90% of the Foundation's component funds are managed as endowments, the remaining 10% of which are managed as short-term funds.

The Foundation applies its board-approved Spending Policy, currently 4% of the five-year average balance of each fund, to determine the amount available for distribution each year from its endowment funds. Additionally, the Foundation withdraws an administrative grant equal to 1% of the average daily balance of each endowment fund annually.

INVESTMENT PHILOSOPHY

The Community Foundation maintains a long-term horizon for the majority of its investments. Our primary investment objective, as noted in the accompanying Investment Policy Statement, is to provide returns that exceed the combination of distributions from endowment funds, administrative grants, and inflation in order to achieve real growth in the support we direct to the community. A secondary objective is to provide a first-class investment program that is attractive to and meets the needs of donors.

Our Investment Committee maintains a macro view of the Foundation's investment portfolio, focusing on risk tolerance and return expectations by working with its investment advisor to establish asset allocations and appropriate return benchmarks.

In addition to the accompanying Investment Policy Statement, the Foundation's financial statements and tax filings are available upon request.

SELECTION PROCESS AND TIMING

- Responses to the *Request for Information* must be delivered to the Community Foundation by May 1.
- The Investment Committee will review all responses and communicate their decision regarding firms to participate in the subsequent *Request for Proposals* by June 1.
- Responses to the *Request for Proposals* must be delivered to the Community Foundation by June 22.
- The Investment Committee will review all responses and communicate their decision regarding firms they wish to interview by July 13.
- The Investment Committee will complete interviews with finalists by August 10.
- The Investment Committee will recommend its preferred firm to the Board of Directors on August 28 and communicate the Board's decision to all firms that participated in interviews.

CONTACT INFORMATION

Please direct all questions and responses to this *Request for Information* to:

Dan Layman, CEO
Community Foundation of the Central Blue Ridge
PO Box 815
Staunton, VA 24402-0815
dlayman@cfcbr.org
540-213-2150

If delivering hard copy by means other than the USPS, please deliver to 117 South Lewis Street, Staunton, VA 24401.

INFORMATION REQUEST

A. Firm Background

1. Firm's contact information.
2. When was your firm founded? Please provide a brief history of your firm, outline of your firm's organizational structure, and number of professionals.
3. Describe your firm's culture, approach to investment services, and your firm's investment philosophy. What competitive advantages do these offer?
4. What is your firm's total assets under management (AUM)?
5. How many clients do you serve? What is the range of AUM for your clients?
6. Is your firm affiliated with a Member Firm? If so, what is the AUM for that Member Firm?
7. How many nonprofit clients do you presently serve, if any, and what is the range of AUM for those clients?
8. How many community foundation clients do you presently serve, if any, and what is the range of AUM for those clients?
9. Please list all active registrations with regulatory bodies.
10. Please outline the insurance your firm maintains.
11. Do you have any client or account size limitations or minimums for your investment services?
12. Please disclose your firm's approach to potential conflicts of interest. Does your firm or any of its affiliates derive any economic benefit from any managers, mutual funds, or other investment entities that you might recommend?

B. Services

1. Please outline your scope of services, how long you have offered those services, and for how many clients you support with each service.
2. Do you provide discretionary (OCIO) services and/or non-discretionary consulting services? If you provide OCIO services, what is your firm's philosophy regarding the advantages of those services and the role of your client's Investment Committee and staff? For how many clients do you offer OCIO services?
3. How does your firm assist institutional clients in the formulation and implementation of investment goals and policies?
4. What is your client service model?
5. Please provide the background of your firm's principals and the team that would most likely be assigned to serve the Community Foundation.

C. Investment Management

1. Describe your firm's investment management service and experience.
2. Briefly describe your ongoing portfolio monitoring and performance measurement processes. How is performance calculated?
3. Please provide an overview of your firm's investment performance, net and gross of all fees and expenses, that includes the most recent ten-year period.
4. Describe your manager selection process and the strengths of your process. How many managers do you actively track?
5. What is your firm's approach to portfolio risk monitoring and management?
6. Describe your firm's investment analysis system.
7. Do you offer proprietary products? If so, are those the only investment options you offer your clients?
8. Briefly describe your experience and expertise, if any, with alternative investments.
9. Do you segregate client assets from your firm's assets, and do you maintain enough liquid assets, net of any liabilities, to protect your clients' assets in the unlikely event of your firm's liquidation?
10. Please describe your fee structure and the services included. Please detail the all-in fees for your work as an advisor, estimated manager costs, custody services, commissions and any other potential a la carte fees. Also, identify any other costs that might be incurred.

This RFI is being sought strictly for the purpose of gaining knowledge of services available and should not be construed as intent, commitment, or promise to acquire services or solutions offered.

Please respond no later than May 1 if you wish to be considered for participation in the Community Foundation's *Request for Proposals*. We will be in touch with all respondents by June 1 to communicate next steps.

We value your time and effort in responding to our *Request for Information*.

Sincerely,

A handwritten signature in blue ink that reads "Dan Layman". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Dan Layman, CEO

Attachments:

Investment Policy Statement

Quarterly Performance Overview (enter password 7385 to view)