



Investment Consultant RFP Questions and Responses

The following questions were submitted by parties interested in ACT for Alexandria's [RFP for an Investment Consultant](#).

Questions about the rationale for the RFP

- Why is ACT for Alexandria going out bid? Are there any specific reasons? What is the driver for the current investment manager search? What is the impetus for conducting an RFP for investment management, currently?
 - ACT currently works with a firm that provides accounting, donor advised fund management and investment management services for community foundations. We have outgrown the firm's accounting services and thus are seeking a new solution and partner. We have secured a new accounting partner and will be using [Foundant](#) as our accounting and DAF management platform. We are seeking an investment consultant to advise on the selection and oversee the management of an investment manager.
- Is the primary need for an Investment Consultant to advise the committee on overall philosophy, fiduciary governance and to select managers and/or mutual funds for the \$9 million portfolio to be managed?
 - Yes.

Questions about current investment manager

- Is the fund currently utilizing an external investment advisory firm, and if so, are you at liberty to share the firm name?
 - Our current investment manager is Greater Horizons, a subsidiary of the Greater Kansas City Community Foundation. Greater Horizons provides accounting, DAF management and investment management to community foundations.
- Are there specific aspects of the current relationship you appreciate? What is missing and what will you be seeking from your new provider?
 - We appreciate that our current partner provides seamless integration of accounting, DAF management and investment management. However, as noted above we have outgrown their accounting services and thus need to find a new solution. In separating from our current partner, we also seek to establish stronger oversight and management insight regarding ACT's assets and investment performance.
- Are there any certain pain points with your current provider? If so, can you share them with us?
 - As noted in the response above, we seek to work with a partner that will help us establish and execute stronger oversight of ACT's assets and investment performance. This includes assistance in refining the Investment Policy

Statement, regular reporting to the Investment Committee, and advice regarding and oversight of investment managers.

- What type of services and education are currently being provided for your grantee organizations by your current investment advisor? Is there any additional fee associated with these services?
 - Our current partner does not provide any services or education to our grantees.
- What type of planned giving and other donor related services and education are currently being provided by your investment advisor and what are the associated fees?
 - Our current provider does not provide planned giving or other donor related services and education. This is a service that we would be interested in learning more about.
- How are the funds currently being managed?
 - The funds are currently managed by Greater Horizons.

Questions about the Investment Policy Statement

- Are you able to share the existing IPS and spending policy?
 - The [IPS](#) is available on ACT's [website](#).

Questions about performance reporting

- Can you provide a recent performance report or asset statement?
 - A copy of ACT's most recent investment performance report can be found [here](#).
- How has performance been vs. stated benchmarks?
 - A copy of ACT's most recent investment performance report can be found [here](#).
- If aggregated for investing purposes, is the recordkeeping and reporting for individual donors done in-house, by an external consultant, or would this be provided by the new investment advisor?
 - Record keeping and reporting for individual DAFs cannot be aggregated and must be reported individually. This is currently done by Greater Horizons who manages our accounting, DAF management and investment management. This cannot be aggregated and will be done by Foundant, our accounting and software platform, in the future.
- Will you need to produce different performance reports for each fund? Or can they be in one master portfolio?
 - We would be open to performance reporting at the portfolio level.

Questions about qualifications

- Regarding your question #5 on the RFP, when referring to size of other non-profit organizations managed, are you looking for the assets under management or something else?
 - We would like to know about your experience working with other nonprofits with similar asset size, approximately \$10M-\$20M.

- What are the most important things to ACT? (i.e. performance, client service, ESG/DEI, etc.?) What is most important when selecting an investment consultant?
 - Responsiveness/client service, including timely reporting and regular communication; alignment with our values; willingness to work with us and not apply a cookie-cutter approach; and investment performance.

Questions about non-discretionary/discretionary relationship

- Does the IPS preclude discretionary investment management? Does the investment Committee have a preference between discretionary and non-discretionary account management?
 - ACT would prefer a discretionary relationship with its Investment Consultant.
- Can you clarify whether you would prefer a non-discretionary or discretionary type of relationship? (i.e. in a discretionary relationship the advisor has the authority to make buy/sell decisions within the parameters of the IPS without approval from Investment Committee or Finance Committee)
 - ACT would prefer a discretionary relationship with its Investment Consultant.
- The RFP reads as indicating that ACT would like traditional investment consultant services. Would ACT be open to a proposal for Discretionary 3(38) OCIO services, where the investment consultant acts in a discretionary capacity with the authority to hire/fire investment managers and rebalance the assets. Under this service, ACT would maintain control over the Investment Policy Statement and, therefore, the long-term strategic asset allocation.
 - ACT would prefer a discretionary relationship with its Investment Consultant.
- Would the investment committee consider hiring a discretionary investment advisor to manage the investment portfolios?
 - ACT would prefer a discretionary relationship with its Investment Consultant.

Questions about custody and operations

- If our firm does not provide custody services, should we skip the section on "Custody and Operations"?
 - Please provide any insight available to your custodial relationships. Feel free to solicit inputs from those institutions.
- Or would ACT like us to source answers from custodian banks and submit them, as appropriate, for that section?
 - Please provide any insight available to your custodial relationships. Feel free to solicit inputs from those institutions.

Questions about assets and pools

- We noticed that only \$9,000,000 of the \$20,000,000 is being bid out. Is there another provider who handles the other pool of money? If so, why is that pool not being put out to bid?
 - ACT allows donor advised fund holders two options to invest, (1) to work with their own investment manager or (2) to invest their DAF assets in ACT's (Greater Horizon's) investment pools. \$9M is currently invested in ACT's pools and is the

focus this RFP, the remainder is managed by DAF holder's own investment manager.

- The RFP states that \$9,000,000 will be coordinated with the selected Investment Consultant. Outside of market appreciation, does ACT expect the asset pool to be coordinated with the Investment Consultant to grow over time via donations and other third-party giving?
 - Yes. We expect that the \$9M pool will grow over time as we increase the number of DAFs, secure planned gifts and increase donations to our organization.
- Is there any expectation that the same Investment Consultant would oversee or report on the Investment Managers on the \$11 million that is donor directed or managed by other Investment Managers? The RFP states \$20M in investable assets, of which \$9M will be managed by the selected investment consultant, is there a requested level of oversight on the full \$20M? What oversight might be needed for the \$11M not part of the scope of the RFP?
 - In your response, please include your process for ensuring visibility (balances, rates of return) into the \$11M in DAF assets managed by the outside investment managers.
- The IPS references several asset pools: The Operating, Managed, Norma Steuerle; and Pooled Advised Funds that would come with a selection of portfolio options for the donor advisors. A few related questions:
 - What is the approximate size of the Operating, the Managed, and the Steuerle funds?
 - The account balances are as follows:

Account	Investment pool	Current Balance (8/3/21)
Operating Fund	Cash	\$1,005,155
Managed Funds	Cash	\$355,702
Norma Steuerle Community Fund	TIFF Pool	\$681,941

- How many funds comprise and what is the approximate size of the Pooled Advised funds?
 - ACT has 85 donor advised and managed funds that are included in the investment pools that our current investment manager (Greater Horizons) manages. Current balance is approximately \$7.2M.
- Are the Pooled Advised funds currently managed as separate accounts, or are they aggregated for investing purposes?
 - We currently report at the account level to all fund holders on individual accounts (ie transactions, balances, etc.) Our investment reporting is aggregated.
- What is the goal/purpose of the funds?
 - Please refer to page 2 of the [Investment Policy Statement](#) for an overview of the funds.

- Do the different funds need to be in different accounts?
 - We report to individual account holders at the account level.
- Is the \$9M in one pool or are there multiple investment pools?
 - There are multiple investment pools that address a range of risk profiles. We are also seeking to add a socially responsible pool as an option for our DAF holders.
- The IPS refers to “Types of Investment Assets” (pg. 2.) Does the scope of the Request for Proposal include the Operating, Managed, Norma Steuerle Community and Reserve, and Advised Funds? If so, what is the breakdown allocated to each fund? Or does the scope of work only include Advised Funds?
 - Yes. The RFP scope includes the Operating, Managed, and Normal Steuerle Community and Reserve Fund.

Questions about investment management

- It is permissible for the Investment Consultant to select mutual funds or exchange traded funds exclusively. Or is the expectation that the portfolio would include individual securities, hedge funds, and/or separately managed funds?
 - It is permissible for the assets to be invested in mutual funds or ETFs exclusively.

Questions about fees

- Can you share the estimated fees being paid to the advisor and the underlying manager fees?
 - Responses to the RFP will inform our thinking about fees.
- Wanting to make sure that we provide appropriate pricing, should provide the fee structure/pricing for both \$9M and \$20M advised?
 - The fee structure/pricing should be for the \$9M.

Questions about the RFP process

- In the RFP, the "Submission Instructions" states that proposals must be received by 12pm on November 5, 2021. However, the "Timeline" section states that final RFP submissions are due Friday, October 29, 2021. Can you please clarify which is the appropriate deadline?
 - The deadline for submission is Friday, October 29.

Other questions

- We have local teams in both Washington DC (both of our Managing Directors of the DC office live in Alexandria), and in NYC. From which office, if there is a preference, would you prefer your relationship to be serviced?
 - We would prefer to work with local partners but are open working with partners outside of Alexandria and the greater Washington region.
- Who is on the investment committee? What is their level of expertise in finance/investments?
 - The investment committee is comprised of six individuals including ACT's Treasurer, Brian Lundeen. Committee members have extensive experience in investment management, including current and former investment managers.