



The Community Foundation
BOULDER COUNTY

***Request for Proposals
For Investment Management Services
Related to an Investment Pool at the Community Foundation
July 30, 2010***

The Board of Trustees of the Community Foundation - Boulder County (TCF) is seeking proposals from qualified firms to provide investment management services. Following is information on the organization, a list of required characteristics of all respondents, a definition of the scope of the services sought and a survey section providing respondents an opportunity to communicate their firm's culture, philosophy, strategies, tactics and historical performance.

Proposals will be accepted until close of business on September 1, 2010 and should be submitted electronically in a single PDF file to:

The Community Foundation Serving Boulder County
Attn: Debbie Gaffney, CFO, Debbie@commfound.org

Background

As one of nearly 700 community foundations in the U.S., The Community Foundation Serving Boulder County (TCFSBC) pursues a mission of improving the quality of life in Boulder County, now and forever, and creating a culture of giving. TCFSBC, tax exempt under IRS Sec 501(c) (3), functions in several ways. As a donor resource, the foundation can help donors create "advised funds" at the Foundation, make a single gift and then have continued input as to its use for the life of the endowment. The Foundation provides intimate knowledge of the needs of the community and of those entities addressing them. Staff can assist donors in crafting a philanthropic strategic plan, informing them in their specific areas of interest. Second, TCF acts as a technical and financial resource for Boulder County nonprofits. We hold seminars for Board members on various topics of interest to nonprofits as well as provide grants to deserving charities. Finally, TCF has its own programs, focused on the most pressing needs of the community.

The Foundation currently has total liquid assets of approximately \$35,000,000 of which approximately \$17,000,000 are the subject of this request. We employ a manager of managers approach but remain open to a hybrid model where a manager may perform direct money management in areas of expertise. Our risk acceptance is commensurate with the historical volatility evidenced by a portfolio allocated 60% to equities and 40% to fixed income securities. Please see the enclosed Investment Policy Statement for additional detail.

Thank you for your interest in being considered for this position.
Sincerely,

Greg Kyde, CFP®, ChFC
Chair, Investment Committee
The Community Foundation - Boulder County

Respondent Requirements

Respondents must

- ◆ be a “Registered Investment Advisor” as defined and regulated by the Securities and Exchange Commission (SEC), a Bank Trust Company, or a Representative of a Registered Broker Dealer.
- ◆ be either completely independent of any financial institution or securities brokerage firm, or fully and continuously disclose any and all relationships with such financial institution(s) and/or securities brokerage firm(s), including all commissions, bonuses, and soft-dollar payments resulting from the firm’s relationships.
- ◆ have been operating in its current capacity and name for at least five years.
- ◆ have a permanent office established in Boulder County.
- ◆ represent the Foundation as a full fiduciary, not as a broker.
- ◆ be able to regularly attend quarterly Investment Committee meetings in Boulder as well as provide logistical support to staff.
- ◆ employ the services of an independent custodian for purposes of holding the Foundation’s assets.

Scope of Services

The Community Foundation (TCF) is pleased to consider respondents to act in the capacity described below. In the position of manager, respondents will:

- ◆ create, recommend and implement an asset allocation appropriate for the Foundation’s time horizon, risk tolerance, liquidity and cash flow needs.
- ◆ evaluate, recommend and provide access to money managers they feel have superior skill/insight/knowledge which may translate into superior, risk-adjusted returns.
- ◆ measure, monitor and control the volatility of the portfolio.
- ◆ not take possession of any Foundation monies or investment securities, nor have access to or control over such monies and/or securities other than limited discretion as approved by the Foundation Board.
- ◆ review and evaluate safekeeping and custodial procedures.
- ◆ establish procedures for assuring competitive prices for securities transactions.
- ◆ monitor the creditworthiness of financial institutions and investments in the portfolio.
- ◆ work with the Foundation’s staff to assure the coordination of investments, delivery of securities and the availability of funds as needed.
- ◆ comply with all Colorado and Federal laws regarding a Fiduciary.
- ◆ provide advice and guidance regarding the Foundation’s Investment Policy.
- ◆ follow the Foundation’s guidelines for performance evaluation.
- ◆ provide quarterly performance reports and be available for meetings with the Foundation’s Investment Committee regarding performance, decision factors, asset allocation, sector weightings, and other matters that may come up from time to time.

Survey

1. Firm Characteristics
 - A. Location of corporate headquarters
 - B. Boulder County address (if different from A)
 - C. Provide bios for all principals and for any staff directly involved in managing assets
 - D. Number of clients of firm
 - i. of Boulder office
 - E. Average account size
 - F. Type of clientele (by industry, entity and portfolio size)
 - G. Total assets under management
 - H. Totals of assets under management by strategy
 - I. Custodial relationships
 - J. Please state involvement in soft dollar contracts.
 - K. List and describe any regulatory action faced by firm.
 - L. Describe the ownership structure
 - M. List firm owner(s) and manager(s)
 - N. Number and type of staff
 - O. Year prospective manager joined the firm

2. Philosophy and Process
 - A. What differentiates your firm from other Investment Management Firms?
 - B. Please describe your investment philosophy.
 - C. Has your philosophy changed over time?
 - D. Why do you believe this approach will be successful in the future? (*Please provide evidence supporting your beliefs*).
 - E. Describe the circumstances, if any, under which you may deviate from this philosophy.
 - F. Please describe your investment strategy.
 - G. Explain how your philosophy has shaped your strategy.
 - H. Please explain your screening processes for:
 - i. individual equities
 - ii. individual bonds
 - iii. passive mutual funds/ETFs
 - iv. actively managed mutual funds/SMA
 - v. alternative investments

- I. How do you document this screening process?
 - J. Explain your methodology of portfolio construction.
 - i. How do you determine asset class/sector allocation?
 - ii. How do you determine proportion of individual securities to pooled securities?
 - K. Do you periodically rebalance portfolios and if so what is your process?
 - L. What considerations, not already addressed, are used in both your buying and selling decisions?
 - M. Are there specific market condition that favor your strategy?
 - i. Describe your capacity for upside capture vs. downside protection
 - N. Can your strategy cause the portfolio to be out of phase with its benchmark, and if so for what reasons?
 - O. Under what circumstances and to what extent do you use leverage or derivatives?
 - P. Over what time horizon can your strategy be expected to meet performance objectives?
 - Q. Describe how you control and measure risk in your portfolios.
 - R. Are your portfolios stress tested? If so, how?
 - S. Are portfolios managed by an individual or a team of managers?
 - T. Describe your research process and capabilities.
 - U. What software applications are used to manage and report on portfolios?
 - V. Is your reporting GIPS compliant?
 - W. Who audits your returns?
 - X. How frequently are investment strategy meetings held among managers?
 - Y. How do you ensure best execution?
3. Investment Performance
- A. Provide historical total returns and standard deviation for at least the preceding five calendar years, trailing one, three and five years and current YTD for all strategies, net of all fees. Include comparison to appropriate benchmark for each strategy and time period listed.
4. Fees
- A. Provide your current fee schedule.
 - B. Are you amenable to discounting your fees for The Community Foundation?

Selection Process and Timing

Proposals are due to TCF by the close of business on September 1, 2010. Each will be evaluated according to the criteria outlined in this RFP. Please submit proposals electronically in either MS Word or Adobe Acrobat file formats. Should you have any questions concerning this RFP, please contact Debbie Gaffney at Debbie@commfound.org (303) 442-0436 for clarification.

We expect to contact finalists in October with requests for in-person interviews. The final decision will be made in the fourth quarter 2010.