



TO: Interested Investment Management Service Providers
From: Sarah Baeckler Davis, Executive Director, on behalf of the Humane Society Naples Endowment Committee *SB*
DATE: June 15, 2019
RE: Request for Proposal – Please respond by July 15, 2019

Humane Society Naples is requesting proposals for investment management services for the organization's asset portfolio. Our Endowment Committee is interested in learning about your firm, your services, and investment management style. This Request for Proposals is the first of a two-step process. Following review of proposals received, Humane Society Naples will select 3 finalists to give presentations to the full Board of Directors.

BACKGROUND

Humane Society Naples (HSN) is a 501(c)(3) nonprofit corporation founded in 1960 with a mission of providing shelter to animals in times of need, finding lifelong homes and promoting responsible pet ownership. HSN has assets exceeding \$19.2 million, approximately \$11 million of which is managed by the two separate investment advisors.

HSN's investment have at times served to supplement cash flow. Over the last 3 years, HSN has added \$6 million in investment assets and withdrawn \$2.5 million for a net change of \$3.5 million.

Although not a requirement, HSN is especially interested in reviewing proposals from firms that also offer banking and lending services.

INVESTMENT PHILOSOPHY

Humane Society Naples has historically taken two different approaches to its investments. A small portion (\$1.5 million) has been invested aggressively, and the remainder (\$9.5 million) is held with a long-term view. The organization would like to take a more holistic approach to managing and growing its funds.

Our primary investment objective is to ensure the long-term sustainability of the organization and ensure we are being the best possible stewards of our supporters' donations. Please see the attached Investment Policy Statement for more details.

HSN's financial statements and tax filings are available upon request.

SELECTION PROCESS AND TIMING

- Responses to the RFP must be delivered to the Humane Society Naples by July 15, 2019
- The Endowment Committee will review all responses and select 3 finalists by August 15, 2019.
- Finalists will be asked to make 20-minute presentations to the full Board of Directors on August 21, 2019.
- The Board of Directors will make a final decision and the Committee will communicate the Board's decision to all finalists on August 22, 2019.
- The Committee has set a goal of completing asset transfers by October 1, 2019.

CONTACT INFORMATION

Please direct all questions and responses to:
Sarah Baeckler Davis, Executive Director
370 Airport Pulling Rd N, Naples FL 34104
sarah@hsnaples.org
239.643.1880 x17

Please address the following:

1. Firm Information and Background
 - a. Firm's contact information.
 - b. When was your firm founded? Please provide a brief history of your firm, outline of your firm's organizational structure, and number of professionals and offices. Of particular interest to the Committee is maintaining a strong relationship with a local office.
 - c. Describe your firm's culture, approach to investment services, and your firm's investment philosophy. What competitive advantages do these offer?
 - d. What is your firm's total assets under management (AUM)?
 - e. How many clients do you serve? How many clients has the firm lost or gained in the past 5 years? Please discuss reasons for losses. What is the range of AUM for your clients?
 - f. Is your firm affiliated with a Member Firm? If so, what is the AUM for that Member Firm?
 - g. How many nonprofit clients do you presently serve, if any, and what is the range of AUM for those clients?
 - h. Please list all active registrations with regulatory bodies.
 - i. Please outline the insurance your firm maintains.
 - j. Do you have any client or account size limitations or minimums for your investment services?
 - k. 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?
 - l. Please describe your due diligence process and team.
 - m. Does your firm have a Code of Conduct, Ethics Policy or Conflict of Interest Policy? Please include copies of each.
2. Services and Team
 - a. Please outline your scope of services, how long you have offered those services, and for how many clients you support with each service.

- b. 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?
 - c. How does your firm assist institutional clients in the formulation and implementation of investment goals and policies?
 - d. What is your client service model?
 - e. Please provide the background of your firm's principals and the team that would most likely be assigned to serve Humane Society Naples. Please include the year each individual joined the firm and their current responsibilities, experience, education, and professional designations. Detail their roles and the scope of their involvement for this proposal.
 - f. What is the succession plan should any of your key individuals or managers leave the firm?
 - g. How many investment staff have joined or left the firm in the last five years?
 - h. Describe your firm's compensation and incentive program for professionals.
 - i. Other than investment management, do you provide additional financial services (banking, lending, etc.) that HSN should consider?
3. Investment Management
- a. Describe your firm's investment management service and experience.
 - b. Describe your portfolio construction process.
 - c. Briefly describe your ongoing portfolio monitoring and performance measurement processes. How is performance calculated?
 - d. 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.
 - e. Describe your manager selection process and the strengths of your process. How many managers do you actively track?
 - f. What is your firm's approach to portfolio risk monitoring and management?
 - g. Describe your firm's investment analysis system.
 - h. Do you offer proprietary products? If so, are those the only investment options you offer your clients?
 - i. Briefly describe your experience and expertise, if any, with alternative investments.
 - j. 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?
 - k. 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.
4. Values and Community Involvement
- a. Humane Society Naples wishes to avoid investment in and profiting from certain industries known to mistreat animals including animal testing. Please describe what screens, ideas or other tools you have available to help ensure we can maintain this value with our investments.
 - b. Humane Society Naples very much desires a partner in stewarding our donors' investments in our work, with an eye toward sustaining a long-term impact on the welfare of the animals in our community and beyond. Please tell the Committee how your firm's and team's values line up with our mission.
 - c. Please define your local client base (individuals, pensions, endowments, trusts).

- d. Please describe your firm's engagement in the community. What local causes do you support and how do you provide that support (donations, sponsorships, reduced fees, volunteer hours, etc.)
 - e. What distinguishes you from your competitors in the area?
5. Technology and Security
- a. Are there any specific technological applications needed to interface with your firm?
 - b. Are reports available via your firm's website?
 - c. Is your firm familiar with Financial Edge (accounting platform)?
 - d. Please describe your firm's data security measures.
 - e. Please describe your firm's disaster recovery plan.
6. IPS and Sample Portfolio
- a. Please evaluate our current IPS and provide any recommendations on changes.
 - b. Given what you know about our organization and its values and interests, HSN requests that you use our current IPS to develop a sample investment portfolio for HSN. Proposers are asked to research and recommend investments that will meet objectives contained in the IPS. The sample portfolio should include any currently recommended tactical allocation. In addition to the portfolio, please include performance through the most calendar quarter. Include 1-, 3-, 5- and 10- year annualized performance and calendar year-by-year performance. Finalists should be prepared to discuss their recommendations with the Board of Directors during their presentations, including all fees and costs.
7. References
- a. Please provide a list of representative clients and at least 3 references that we could contact, including name, title, telephone number and email address.

This RFP 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 July 15 if you wish to be considered.

We will be in touch with all respondents by August 15 to communicate next steps and we value your time and interest in working together.