

AUSTIN HABITAT FOR HUMANITY, INC.
REQUEST FOR PROPOSAL
FOR INVESTMENT PORTFOLIO MANAGER

I. INTRODUCTION

Austin Habitat for Humanity, Inc. (the "AHFH"), a Texas not-for-profit, was organized in January 1985 and operated exclusively for charitable purposes, or any one of such purposes, within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The mission and vision of Austin Habitat for Humanity anchor around our dedication to ending the cycle of poverty housing and the deeply held belief that everyone deserves a decent, affordable place to live.

AHFH currently has approximately \$50 million in total assets and \$12 million in cash and cash equivalents. The Board of Directors is considering the future charitable use of its assets and cash flow needs.

II. REQUEST FOR PROPOSAL

AHFH Board of Directors requests proposals from a qualified Investment Portfolio Manager with experience working with charitable organizations and managing the entity's investment portfolio.

III. SCOPE OF SERVICES

AHFH is seeking Investment Portfolio Manager services to assist AHFH in managing its Investment Portfolio and updating its Investment Policy Statement (the "IPS"). The following services identified in this RFP represent the minimum expectations and roles of the proposer.

AHFH realizes that obtaining the best investment return with the least risk requires extensive expertise due to today's complex markets and timing. Therefore, AHFH seeks the following services, which include but are not limited to the following:

1. Portfolio Management – The Investment Portfolio Manager will counsel the Finance Committee/Board of Directors and staff on investment and asset-allocation decisions; provide a realistic outlook of current economic and market conditions for the investment process of the portfolio. The investment process will include but is not limited to the placement and management of investments for AHFH but also to ensure compliance with applicable regulations.
2. Investment Policy Statement – Perform review, evaluation, and revision of existing IPS (if necessary) or assist in designing a new IPS. The IPS should be prepared to: 1) safeguard and preserve the AHFH's investment portfolio and strengthen the likelihood that funds are available to meet current and future obligations, and 2) provide for reasonable market-based returns compared to similar investments, which altogether are sufficient to assist in funding the operational needs of AHFH.
3. Safekeeping or Custodian Services – AHFH's Investment Portfolio must be held in Trust.

IV. PROPOSAL SUBMISSION INSTRUCTIONS

1. The deadline for questions is 12:00 (CST) on Friday, May 19, 2023. All questions will **ONLY** be accepted in written form via email, no phone calls. Please forward questions to InvestmentRFP@ahfh.org.
2. Each proposal must be complete and address the Scope of Services described in this RFP. All responses must be submitted in the attached **"Response Worksheet" (in Excel format)**. **NO LATE PROPOSALS WILL BE ACCEPTED**. All representations, including fees, made by the proposer must be in effect for at least 90 days.
3. **The "Response Worksheet" must be completed strictly per Section V. RFP Requirements. AHFH will disqualify any deviation or incomplete submittals. Prepare proposals and refrain from using elaborate promotional materials beyond necessity to deliver a complete and accurate response.**

V. RFP REQUIREMENTS

To fully and equitably evaluate each organization's ability to meet the needs of AHFH, each proposer must submit their response utilizing the **"Response Worksheet"** attached to this RFP.

The following describes each line item of the worksheet.

1. Organization Background

a) Background – Corporate:

- i) Location: Provide the location of Corporate Offices for your organization.
- ii) Established: Provide the year
- iii) Ownership Structure
- iv) Primary Focus
- v) Total Assets
- vi) Number of Employees

b) Background – Wealth/Trust Management Team

- i) Location
- ii) Established – Provide the year
- iii) Number of Employees – Wealth/Trust Management Team
- iv) Total Assets Managed – Wealth/Trust Management
- v) Average Portfolio Managed – Wealth/Trust Management
- vi) Total Assets Managed – Nonprofits & Foundation Only
- vii) Average Portfolio Managed – Nonprofits & Foundation Only

- c) Historical Return of Similarly Allocated Accounts (Based on the Investment Policy Statement Provided). In this section, AHFH seeks to assess your organization's investment performance for a Wealth/Trust Management Portfolio and a Nonprofit & Foundation Only Portfolio.
 - i) Asset Allocation for Rate of Returns for Wealth/Trust Management Portfolio managed by your organization (*corresponds to 1. c. ii.*).
 - ii) Rate of Return as of December 31 for the respective years: 2022, 2021, and 2020 for Wealth/Trust Management Portfolio (*corresponds to 1. c. i.*).
 - iii) Asset Allocation for Rate of Returns for Nonprofit & Foundation Portfolio managed by your organization (*corresponds to 1. c. vi.*).
 - iv) Rate of Return as of December 31 for the respective years: 2022, 2021, and 2020 for Nonprofit & Foundation Portfolio (*corresponds to 1. c. iii.*).
- d) What are your organization's competitive advantages? Please list these.
- e) Does your firm utilize proprietary funds?
- f) Conflict of Interest.
 - i) Disclose whether your organization has any financial or other affiliation with banks, brokerage, insurance, investment banking, or money management firms.
 - ii) If so, how does your organization protect against conflict of interest?
- g) Litigation.
 - i) Has your organization been party to litigation within the last five (5) years related to the provision of Investment Management Services?
 - ii) If so, please explain.

2. Investment Portfolio Manager

- a) Manage Growth.
 - i) Total number of Portfolio Managers. Describe the way your organization manages growth.
 - ii) The total number of portfolios managed per Portfolio Manager.
 - iii) Average Portfolio size managed per Portfolio Manager.
- b) Biographies.
 - i) Average years of experience with the Wealth/Trust Management team.
 - ii) Is the Wealth/Trust Management team licensed?
 - iii) Provide biographies of the potential staff assigned to provide the Scope of Services required under this RFP.
- c) Description Support Services. List services provided by Investment Portfolio Manager.

3. Client or Reference Information. To assist in the selection process, please provide three (3) of your organization's customer contact information we may contact to discuss similar services offered.

a) Reference #1.

- i) Name.
- ii) Contact Person.
- iii) Address.
- iv) Phone Number.
- v) Email.
- vi) # of Years as Customer.

b) Reference #2.

- i) Name.
- ii) Contact Person.
- iii) Address.
- iv) Phone Number.
- v) Email.
- vi) # of Years as Customer.

c) Reference #3.

- i) Name.
- ii) Contact Person.
- iii) Address.
- iv) Phone Number.
- v) Email.
- vi) # of Years as Customer.

4. Fee Schedule and Sample Reports

a) Description of Investment and Safekeeping/Custodian Services **Combined**.

- i) Investment Management Fees (bps)
- ii) Transaction/Trading Costs (cost/share)
- iii) Mark Up or Spread on Bonds (inclusive of purchases and sells)
- iv) Safekeeping or Custody Fees of Assets (bps or flat rate)
- v) Outside Manager/Mutual Fund Fees

- vi) Mutual Fund Fees
 - vii) Investment Policy Statement Development
- b) Description of Investment Services **Only**.
- i) Investment Management Fees (bps)
 - ii) Transaction/Trading Costs (cost/share)
 - iii) Mark Up or Spread on Bonds (inclusive of purchases and sells)
 - iv) Outside Manager/Mutual Fund Fees
 - v) Mutual Fund Fees
 - vi) Investment Policy Statement Development
- c) Description of Safekeeping/Custodian Services **Only**.
- i) Safekeeping or Custody Fees of Assets (bps or flat rate)
- d) List of services not included in Investment and Safekeeping/Custodian fee structure that would be assessed to this portfolio.
- i) Conversion Fees (Transfer Portfolio In/Set Up Fee)
 - ii) Deconversion Fees (Transfer Portfolio Out Fee)
 - iii) Wire Fee
 - iv) Disbursement Fee
 - v) Annual Account Fee
 - vi) Stop Payment Fee
 - vii) Separate Account
 - viii) Sub-Accounting Report
 - ix) Investment Consulting Fee
 - x) Customized Report Fee
- e) Sample of the Investment Management Agreement and Safekeeping or Custodian Agreement.
- i) Investment Management Agreement Provided?
 - ii) Safekeeping or Custodian Agreement Provided?
- f) Sample monthly statements and performance reports.
- i) Monthly Statements Provided.
 - ii) Performance Reports Provided.
 - iii) Monthly Transactional Reports Provided.

VI. EVALUATION OF PROPOSALS

1. Cost
2. The demonstrated performance by the organization, including information from references.
3. Location
4. The structure, experience, and availability of the Wealth/Trust Management team.
5. Presentation: Members of the Ad Hoc Investment Committee will interview finalists.
6. Right to Reject: AHFH reserves the right to reject any/all proposals submitted, waive any minor inconsistencies, and request additional information from all proposers. A contract will be awarded to the organization, who, based on the evaluation of all responses, applying all criteria and oral interviews, is determined to be the best to perform the investment management services.

VII. TIMELINE

The timeline is subject to change.

Date	Action Item
PHASE I - RFP AND ENGAGE INVESTMENT PORTFOLIO MANAGER	
May 12, 2023	Issuance of RFP for Investment Portfolio Manager
May 19, 2023	Deadline for Questions at 12:00 p.m. CST
June 7, 2023	Deadline for Proposal Submission at 12:00 p.m. CST
June 14, 2023	1 st Round of Elimination of Proposals for Portfolio Investment Manager
June 16, 2023	Interviews of 2 Finalists and Selection of Investment Portfolio Manager by <i>Ad Hoc Investment Committee</i> for Finance Committee recommendation
June 21, 2023	Recommendation by <i>Finance Committee</i> of Investment Portfolio Manager for Executive Committee Approval
June 23, 2023	Recommendation by <i>Executive Committee</i> of Investment Portfolio Manager for Board of Director Approval
June 28, 2023	Board of Directors approves Investment Portfolio Manager
July 14, 2023	Execute Investment Portfolio Manager Agreement

PHASE II - INVESTMENT POLICY STATEMENT	
August 11, 2023	Deadline for updated draft of Investment Policy Statement by Portfolio Investment Manager
August 18, 2023	Review Draft of Investment Policy Statement by <i>Ad Hoc Investment Committee</i>
August 23, 2023	Portfolio Investment Manager presents Investment Policy Statement to <i>Finance Committee</i> for Executive Committee's Approval
August 25, 2023	Recommendation by <i>Executive Committee</i> of Investment Policy Statement for Board of Directors' Approval
August 30, 2023	Board approves Investment Policy Statement
Phase III - TRANSFER OF INVESTMENT PORTFOLIO	
August 30 – September 30, 2023	Investment Portfolio Manager aligns Investment Portfolio to Investment Policy Statement

VIII. SUBMISSION OF PROPOSALS

Submit "**Proposal**" in PDF Read-Only format, and an electronic copy of "**Response Worksheet**" (in **Excel format**) must be received by 12:00 p.m. (CST) on **Wednesday, June 7, 2023**:

Email: InvestmentRFP@ahfh.org
 Subject Line: Response to Investment Manager RFP

A proposal is only qualified if received at or before the referenced submission time and date.