

BOARD OF DIRECTORS

Bill Cox
Chair
Carey Cox Company

Tammy McSwain
Vice Chair
ARTA Travel

Craig Overstreet
Secretary
Texas Bank and Trust

Milton Buschbom
Treasurer
Retired, Texas Instruments

Kim Moore
Immediate Past Chair
Strasburger & Price, L.L.P.

Jenny McCall
Collin College Board of Trustees Rep.
Gay, McCall, Isaacks, Gordon
& Roberts, PC

La Sonya Allen
State Farm

Rudolph Andrea
Andrea - Mennen Foundation

Anita Collins
American National Bank of Texas

David Downs
AXA Advisors

Steve Ewing
EDGE Realty Partners

Matt Ford
Encore Wire Corporation

Matt Foster
AT&T

Andrew Hardin
Collin College Board of Trustees
Collin County Bookkeeping

Mac Hendricks
Collin College Board of Trustees
Yorktown Development LTD

Randall Hullett
Abernathy, Roeder, Boyd & Hullett, P.C.

Scott Johnson
Wheelhouse Ventures
Frisco City Council

John Manganilla
Atmos Energy

Maher Maso
Maso, Inc

Dr. H. Neil Matkin
District President
Collin College

Stephen Maus
Nautilus/New York Life

Fred Montes
Architect

Irene Nigaglioni
PBK Architects

Kayci Prince
Baylor Scott & White Medical Center-Plano
Plano City Council

Mary D. Drummond Roby, Ph.D
Texas Instruments

Sam Satterwhite
Wylie Economic Development Corp.

Ray Smith
Wells Fargo
Mayor of Prosper

Shep Stahel
Retired, IBM Corporation

Keith Wright
BB&T



FOUNDATION

June 15, 2017

To Whom It May Concern:

The Collin College Foundation is now accepting proposals for RFP No. CCF081517: Foundation Investment Services. Attached are specifications that will be considered in the course of the evaluation process. The current value of assets to be managed is between \$7.5 million and \$10 million.

The Collin College Foundation is a 501(c)(3) non-profit organization with the mission of supporting and enhancing Collin College through philanthropic support for student scholarships and programs of excellence. Gifts from friends, alumni, corporations and foundations help provide access to high quality education through scholarships, assist vital student programs and support innovation across the college's seven campuses. As a fiscally and legally independent organization, the Collin College Foundation is governed by community leaders who volunteer generously of their time, talent, and resources by serving as a member of Collin College Foundation Board of Directors.

The Investment Committee of the Board of Directors will deliberate on the proposals and determine those selected for further evaluation. Interviews will be conducted in September and the committee will make a recommendation to the Board of Directors for approval.

Sealed proposals are due by 3 p.m. August 15 at the Foundation Offices at the Collin Higher Education Center, 3452 Spur 399, Suite 429, McKinney Texas 75069. Any questions about the proposal should be directed to Lisa Vasquez at 972.599.3145 or lvasquez@collin.edu.

Sincerely,

A handwritten signature in black ink that reads 'David Downs'.

David Downs

Investment Committee Chair

REQUEST FOR PROPOSAL
FOUNDATION/ENDOWMENT CONSULTANT
FOR
COLLIN COLLEGE COUNTY COMMUNITY DISTRICT
FOUNDATION

6.1 Organization

- a. Describe the organization, date founded, and ownership of your firm and any subsidiaries and affiliates. If your firm has experienced a significant change in organizational structure, ownership or management during the past three years, please describe.
- b. Describe any other business affiliations with our Board of Directors or other Committee members.
- c. Describe your firm's policy on soft dollars.
- d. Is your firm a registered investment advisor under the Investment Advisor's Act of 1940? If not, please indicate why you are exempt from registration. Please include any applications forms, ADV Parts I and II.
- e. Describe any SEC, NASD or any other regulatory, federal or state censure or litigation involving your firm or its employees during the past five years.
- f. Summarize fidelity bond coverage, error and omissions, employee dishonesty, fiduciary liability insurance or other fiduciary coverage your firm carries.
- g. Describe your firm's primary revenue sources and comment on your firm's financial condition.
- h. Provide a copy of your firm's most recent audited financial statements.

6.2 Experience

- a. Describe your firm's experience in managing portfolios for institutions of similar type, including the number of years your firm has managed these portfolios.
- b. Describe your firm's experience in developing investment policies and portfolio management guidelines for institutions of similar type.
- c. Provide three (3) years of performance as an aggregate of all your non-profit clients.

6.3 Personnel

- a. Identify the number of professionals employed by your firm by classification (including, but not limited to portfolio managers, analysts and researchers).
- b. Identify the key personnel who will be assigned to this account. Describe the roles of each person and indicate who will be the primary contact. Also provide detailed resumes and biographical information for all identified key personnel (to include the supervisor of the portfolio manager) who will be assigned to this account. Include the following information: title, number of years at your firm, total number of year's experience, professional designations or licenses.
- c. Describe your firm's activities to keep portfolio managers informed of developments relevant to the management of our portfolio.

6.4 Investment Management Approach and Discipline

- a. Briefly describe your firm's investment management philosophy with regard to non-profits.
- b. What are the primary strategies employed by your firm for adding value to non-profit portfolios?
- c. Describe the in-house technical and research support services you have available. What other sources are used by the firm on a regular basis?
- d. Describe the non-profit investment program you are proposing, including the asset allocation model.
- e. Describe how investment managers are researched and how the ultimate investment recommendations are made. Explain how approved recommendations are then implemented, monitored and evaluated.

- f. Briefly describe any additional features, attributes or conditions that should be considered in selecting your firm.
- h. Does your firm offer investment products? If so, briefly describe the products and how your firm decides when it is appropriate to recommend these products to clients.

6.5 Accounting and Reporting

- a. Describe the investment accounting and reporting system used by your firm and whether it complies with IMCA standards.
- b. Describe how you would plan to interface with the Committee to provide regular communications on investment decisions and strategy in a discretionary and a non-discretionary environment.
- c. Describe the frequency, format and scheduled delivery date of reports that your firm would provide the Committee (including the methods and formulas used to calculate yield and performance). Sample reports should be included. List reports available to the Committee on-line or through other electronic means and explain how Committee members and staff would access this information.

6.6 Clients

- a. Please provide a minimum of three references of organizations and/or businesses for which you have provided similar services. The organization's name, a contact, a telephone number and a brief description of the services provided are required for each reference.
- b. How many clients does your firm provide investment advisory services to with regard to their non-profit portfolios? What is the cumulative amount of non-profit assets for these clients?
- c. Describe any support that your firm can provide to non-profits and how you may assist with stock gift donations.

6.7 Fees

- a. Provide the fee schedule that would apply to this account for investment advisory services for the initial 3-year period of the contract. Do not include investment management fees or custodial fees.
 - 1) Is there a minimum fee?
 - 2) Is the fee tiered?
 - 3) Are research fees for new managers included or extra?
 - 4) Are travel expenses included or extra?
 - 5) Are there any additional expenses, not covered by the fee schedule?
- b. Provide a description and/or example of the billing method that will be used.

Collin County Community College District Foundation, Inc.

INVESTMENT POLICY

Effective Date:

I. GOALS AND MISSION OF THE FOUNDATION

Collin County Community College District Foundation, Inc., hereafter referred to as the “Foundation,” a not-for-profit organization organized under the laws of the State of Texas, encourages the solicitation and acceptance of gifts that will help fulfill its mission. The Foundation’s mission is to support and enhance the Collin County Community College District through philanthropic support for student scholarships, faculty enrichment, critical capital needs and programs of excellence. The Foundation’s primary goal is to provide scholarship funds for current, transfer and future students.

II. PURPOSES OF INVESTMENT POLICY

The purpose of this policy is to outline a philosophy and attitude that will guide the investment management of the assets toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical. Specific purposes include:

1. Define and assign the responsibilities of all involved parties.
2. Establish a clear understanding for all involved parties of the investment goals and objectives of the Foundation.
3. Offer guidance and limitations to Investment Manager(s) regarding the investment of Foundation assets.
4. Establish a basis for evaluating investment results.
5. Ensure that Foundation assets are managed in good faith and with ordinary care.
6. Establish the relevant investment horizon for which the Foundation assets will be managed.

The Investment Policy outlines the objectives and constraints of the Foundation’s portfolio (the portfolio) and is intended to complement the Foundation’s Spending Policy.

III. INVESTMENT COMMITTEE PURPOSE AND RESPONSIBILITIES

(See Appendix A for Investment Policy – Responsibility Table)

1. Review the investment policy at least annually and propose revisions as needed to ensure that it is in compliance with the mission of the Foundation and College.
2. Report at least annually to the full board of the Foundation on the outcome of the investment policy review and any revisions that have been made.
3. Determine the Fund’s anticipated annual distribution needs and communicate them to the investment manager.

4. Select investment managers based on prudent due diligence procedures. The Investment Committee will require that each investment manager provide, in writing, acknowledgment of fiduciary responsibility to Collin College Foundation.
5. Submit selection recommendation of investment managers to the full Board of Directors for approval.
6. Communicate the expected responsibilities and duties of the investment manager(s).
7. Communicate to the investment manager(s) any material changes that may affect how the Fund will be managed in the future.
8. Monitor and evaluate Fund performance, and ensure that investment policy guidelines are adhered to and objectives are met.
9. Take appropriate action to replace an investment manager(s) for failure to perform as expected. Such action shall be submitted to the full Board for approval.

IV. PORTFOLIO PHILOSOPHY

Future giving (contributions) to the Foundation is expected to be inconsistent, and therefore, unpredictable. As a result, the Foundation's Board of Directors has set an investment strategy with the objective of maintaining purchasing power of Foundation assets before consideration of gifts.

The goal will be to make reasonable efforts to preserve capital, understanding that losses may occur in individual securities. Further, reasonable efforts will be taken to control risk, understanding that risk is present in all types of securities and investment styles and recognizing that some risk is necessary to produce long-term investment results sufficient to meet the Foundations objectives.

V. PORTFOLIO STRUCTURE

To achieve investment objectives, financial assets will be allocated among a number of asset classes. (See Addendum B for asset class definitions.) These asset classes may include domestic equity, domestic fixed income, international equity, international fixed income, and alternative or real assets such as natural resources, global real estate, and commodities.

- A. The Portfolio will be managed in the following manner with monies being allocated into the following accounts: 1) Endowment, 2) Operating and 3) Reserve.
- B. Endowment investments will be pooled.

1) Endowment Account:

- a) Asset allocations for the portfolio will be determined by the Investment Committee and approved by the Board of Directors to facilitate the achievement of the Foundation's long-term investment objective within the established risk parameters. Asset classes will be chosen to be representative of a broad array of investment assets which have identifiable benchmarks. Assets will be diversified to minimize the adverse or unexpected results from one security or security class, reducing any overly detrimental impact on the entire portfolio. The Investment Committee will seek diversification of investment strategies within an asset class if more than one investment manager is chosen to manage assets for that specific asset class. Asset allocation ranges established in this policy reflect the risk tolerance expressed by the Investment Committee. The portfolio will be

rebalanced by the investment manager to maintain appropriate asset class weights. The Board of Directors retains the authority to approve temporary deviations from the acceptable ranges if conditions warrant such a deviation.

- b) If an endowment account's value is above the historic dollar value, i.e. the value of the assets when given, the Foundation will appropriate and/or expend any income according to the Spending Policy.
 - c) If an endowment account's value is at or below the historic dollar value, the Foundation will not appropriate and/or spend any income until the historic dollar value has been restored—unless doing so is consistent with the terms of the endowed agreement and the Investment Committee and Board has determined that it would be prudent.
 - d) The determination to appropriate, i.e. authorize for expenditure, and/or expend the income of an endowment fund whose value is at or below its historic dollar value will be made through a vote of the Board. Any such vote of the Board will be preceded by the consideration of all relevant information and will be preceded by due deliberations on whether any income will be appropriated and/or expended and to what extent such appropriation or expenditure will occur.
- 2) **Reserve Account** - Funds include: Excellence Funds; annual scholarship, non-endowed funds and operating funds authorized but not expended.
- a) When Reserve Account is held with a brokerage firm certificate of deposits should not exceed the federal insurance limits, unless approved by the Board.
 - b) Accounts such as interest bearing accounts, money market accounts, certificates of deposit and government securities are to be the primary investments. Investing in any other type of investment vehicle requires approval by the Board of Directors. Borrowing for investment purposes is prohibited.
 - c) Investments should be limited in term. The Board of Directors must approve any investment with a term longer than three years (3) years.
- 3) **Operating Account**
- a) Purpose of Operating Account is to provide cash for expenditures for operational needs of Collin College Foundation and Collin College departmental programs.
 - b) When Operating Account is held with a brokerage firm, certificates of deposits should not exceed the federal insurance limits, unless approved by the Board.
 - c) Accounts such as interest bearing accounts, money market accounts, certificates of deposit and government securities are to be the primary investments. Investing in any other type of investment vehicle requires approval by the Board of Directors. Borrowing for investment purposes is prohibited.
 - d) Investments should be limited in term. The Board of Directors must approve any investment with a term longer than one (1) year.
 - e) A current list of financial institutions as depositories for investment will be kept on file and updated regularly by the Executive Director. The list includes commercial banks, savings and loans, credit unions and brokerage firms.
 - f) Within guidelines, maximum interest rates shall be sought, with the maturity of the investments governed by expected cash needs.

ASSET ALLOCATION TABLE
(Asset classes, Policy Benchmarks and Asset Allocations):

<u>Asset Classes</u>	<u>Policy Benchmark</u>	<u>Asset Allocation Ranges</u>
CASH	U.S. T-Bill	0-20%
FIXED INCOME		10-50%
US Int/Short	Barclays Capital Aggregate Bond Index	5-35%
US Long	Barclays Capital Aggregate Bond Index	5-35%
US High Yield	Merrill Lynch High Yield Master II Constrained Index	0-20%
Dev-ex-US	Barclays Capital Global Agg ex US	0-5%
Emerging Markets	JP Morgan EM Bond	0-5%
EQUITIES		35-75%
US Large Cap	S&P 500 Index	10-50%
US SMID	Russell 2000 Index Russell Mid Cap Index	0-15%
Dev ex-US LC	MSCI ACWI ex US ?Index	5-40%
Emerging Markets	MSCI Emerging Markets	0-20%
REAL ASSETS		0-25%
TIPS	Barclays Capital TIPS Index	0-10%
Natural Resources	DJ-UBS Commodity Index	0-10%
Commodities	DJ-UBS Commodity Index	0-10%
Global Real Estate	FTSE EPRA/NAREIT Global Index	0-15%

VI. INVESTMENT MANAGER RESPONSIBILITIES

1. Investment managers shall meet in January and July each year with the Investment Committee.
2. Investment managers shall provide on-line review to the portfolio accounts to Chair, Collin College Foundation, Chair, Investment Committee, Executive Director and the Financial Accounting Specialist with the Foundation.
3. Investment managers shall provide at least quarterly written statements including action taken with the portfolio and the current economic outlook.
4. Investment managers shall be in communication with the Investment Committee Chair, the Foundation Board Chair and the Executive Director. Communication between investment managers and other parties is allowed with express authorization of the Investment Committee Chair or Foundation Chair.
5. Investment managers shall notify the Chair, Investment Committee of any significant market fluctuations, generally equal to a daily change of 5% or more, in a blended index equivalent to the current allocations model of the endowment fund.

6. All pertinent changes in personnel of the investment firm as they relate to portfolio accounts should be reported as they occur.

RISK AVERSION: Understanding that risk is present in all types of securities and investment styles, the Investment Committee recognizes that some risk is necessary to produce long-term investment results that are sufficient to meet the Foundation’s objectives. Investment managers should make reasonable efforts to preserve capital, understanding that losses may occur in individual securities. However, the investment managers are to make reasonable efforts to control risk, and will be evaluated regularly to ensure that risk assumed is commensurate with the given investment styles and objectives.

ADHERENCE TO INVESTMENT DISCIPLINE: Investment managers are expected to adhere to the investment management styles for which they were hired. Managers will be evaluated regularly for adherence to investment discipline.

VII. PERFORMANCE MEASUREMENT

The Investment Committee will review and evaluate investment performance quarterly in the context of the prevailing investment environment, and consistent with the long-term investment horizon of the portfolio. Performance evaluation will be done at the portfolio level and for each asset class.

The performance review at the portfolio level will evaluate total portfolio performance versus the overall policy benchmark. The performance review at the asset class level will evaluate asset class performance versus the asset class benchmark.

The portfolio risk will be evaluated by standard deviation, and any other metric the committee deems appropriate after discussions with the investment managers.

Total portfolio expenses will be reviewed by the Investment Committee on an annual basis.

CHANGES TO INVESTMENT POLICY STATEMENT

The Investment Committee with the approval of the Board of Directors of COLLIN COUNTY COMMUNITY COLLEGE DISTRICT FOUNDATION, INC. may amend this resolution from time to time.

Approved by Investment Committee this ____ day of _____, 20__.

Chairman

Approved by Board of Directors this ____ day of _____, 20__.

Chairman

APPENDIX B

Asset Class Definitions

Cash Equivalents

The percentage of total assets allocated to cash equivalents should be sufficient to meet disbursements and general operational expenses of the Foundation. Cash equivalents may also be used as an alternative to other investments when the investment manager feels that other asset classes carry higher than normal risk. However, managers are generally expected to remain fully invested unless there is a compelling reason, in their respective judgment, to allocate a significant portion of their mandate to cash equivalents.

U.S. Fixed Income

The purpose of the fixed income allocation is to provide current income, provide a stable component of return and to reduce the overall volatility of the portfolio.

Where separate account management is employed, the following restrictions apply:

- A. The bond portfolio may be invested in securities issued by the following: U.S. Treasury; an agency of the U.S. Government; or a corporation or sovereign issuer rated in one of the top four classifications by Moody's or Standard and Poor's.
- B. Non-investment grade investments should be limited to a maximum of 35% of the fixed income exposure.

Non US Bonds - Bonds issued by foreign governments and corporations. Non-investment grade investments should be limited to a maximum of 35% of the non U.S. Bond exposure. Investments in Emerging Market Bonds should be limited to 50% of the international bond exposure.

U.S. Equities

The purpose of the allocation is to provide total return from appreciation and dividends that exceeds inflation. It is recognized that equity investments carry greater price variability and risk than other asset classes. Investments in one or more diversified commingled actively or passively managed funds is appropriate and necessary to create a well-diversified portfolio, incorporating multiple asset classes and investment styles.

Where separate account management is employed, the following restrictions apply:

- A. Permissible equity investments include common stocks, preferred stocks, and fixed income securities convertible into common stocks.
- B. Investments in the common stock of any one company may not exceed 5% of its common shares outstanding; no single common stock should exceed 10% of value of the entire stock portfolio, based on market value and notwithstanding donor directives. Exceptions to this guideline may be authorized following discussion with the Investment Committee.

- C. Direct investments shall not be made in commodities, commodity contracts, oil, gas, mineral leases, mineral rights or royalty contracts.
- D. With prior approval, writing covered calls and puts will be allowed to the extent they are used as a strategy to reduce the overall risk of the equity portfolio. Any such program will not exceed 10% of the equity portion of any manager's allocation (unless specifically authorized by the Investment Committee) and will be closely monitored by the Investment Committee.
- E. Margin transactions and short sales shall not be used. Financial futures contracts may be used only at the discretion of the Investment Committee as strategy to reduce the overall risk of the equity portfolio.

International Equities

Investments in one or more diversified commingled actively or passively managed funds is appropriate and necessary to create a well-diversified portfolio, incorporating multiple asset classes and investment styles. Where separate account management is employed, the following restrictions apply:

- A. Investment returns in this asset class are expected to meet or exceed the Morgan Stanley Capital International Europe, Australia, and the Far East Index ("MSCI EAFE") over a full market cycle. This performance vs benchmark comments seems to better fit the Performance measurement section and the benchmark noted here is not the same as the one used by the International Equity fund now utilized in the account.
- B. Emerging market mandates should be limited to a maximum of 50% of the international exposure.

Real Assets

Real Assets - Asset classes influenced by inflation and inflation expectations. These assets tend to be desirable during periods of inflation. Assets within this class include: Treasury Inflation Protected Securities (TIPS), Global Real Estate, Commodities and Natural Resources.

**Collin College Foundation
Investment Policy – Responsibility Table**

Appendix A

	A	B	C	D	E	F	G
1	Responsibility Level	Written Investment Policy	Tactical Allocation Among Asset Classes	Strategy Within An Asset Class	Manager & Fund Selections	Security Selection	Deviation From Investment Policy
2							
3	Board Of Directors	Approves	Informed				Approves
4							
5	Executive Committee	Recommends	Informed	Informed	Informed	Informed	Recommends
6							
7	Investment Committee	Recommends	Recommends And Approves	Approves	Approves	Informed	Informs And Recommends
8							
9	Investment Consultant	Consult	Recommends And Implements	Recommends	Recommends And Monitors	Recommends And Implements	
10							