

Interact for Health is improving the health of all people in our region. We serve as a catalyst by promoting health equity through grants, education, research, policy and engagement. To amplify the impact of our work, Interact for Health focuses on three strategic priorities: reducing tobacco use, addressing the opioid epidemic and ensuring that children have access to health care through school-based health centers. We are an independent 501(c)(4) nonprofit organization that serves 20 counties in Ohio, Kentucky and Indiana.

Interact for Health has approximately \$220 million in its investment portfolio, and is accepting proposals from **investment consulting firms to provide investment consulting services**. The Investment Committee comprises volunteer Board of Directors members, one volunteer non-Director and the President & CEO.

Interact for Health is committed to a transparent process of selection of an independent investment consultant, with the intention to secure the best possible solution for Interact for Health's long-term investment consulting needs. Interact for Health maintains a broadly diversified asset allocation that seeks to emphasize long-term growth of principal while avoiding excessive risk. Interact for Health's broad risk profile comprises 70% risk assets and 30% diversifying assets. The portfolio uses a low-cost, low-turnover, passive strategy in traditional markets deemed to be efficient (equities and fixed income) and an active approach in less efficient markets where dedicated sector experts are used (private capital and hedge funds). Interact for Health's current strategy is low cost, but the committee is open to researching all possible options that are reasonable for our portfolio size.

Interact for Health values diversity and this will be one of the criteria used to evaluate and contract with consultants.

SERVICES TO BE PERFORMED

The chosen firm must be an independent consultant that will provide quarterly reporting on investment performance and risk for each investment and the portfolio as a whole; provide recommendations for modifications to the investment policy statement, objectives or guidelines as appropriate; and provide compliance and tax reporting oversight as applicable. The consultant will also periodically provide research and investment services on special projects as applicable. Quarterly presentations to the Investment Committee are required and periodic presentations to the Board of Directors and ad hoc meetings may be required.

PROPOSAL REQUIREMENTS

Proposals must include the following:

Firm profile

- Provide a summary of your firm, including location of firm's headquarters, year formed, number of professional and support staff, ownership structure, and biographies of key individuals and the investment advisors who will service our account.
- Describe the roles and responsibilities of the assigned advisor(s)/consultant(s), including the lead person, backup and support services.
- Over the last 10 years, has the firm's principals, employees or officers of the firm been involved in any business litigation, regulatory or other legal proceedings or government investigation involving allegations of fraud, negligence, criminal activity or breach of fiduciary duty? If so, please describe.
- Describe the compensation and incentive structure for professionals directly involved in the account. Do the senior professionals

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participate in equity ownership? Are there any other incentive arrangements employed to help retain key professionals?

- Is your firm a registered investment advisor under the Investment Advisors Act of 1940? If so, please include a copy of the most current Form ADV for your firm (Parts I and II).
- Describe your client base and assets by client type as of Dec. 31, 2018, including your experience supporting an Investment Committee of a nonprofit organization. What is the firm's client-to-consultant ratio?
- Please discuss your policies and procedures in preventing and disclosing conflicts of interest, as well as how your firm maintains its independence from the investment management community.

Investment advisory services

- Describe your firm's core investment philosophy. How has the investment philosophy changed over time?
- Based on your firm's core beliefs, how are ideas generated for client portfolios? Do portfolio recommendations differ by consultant? Are they vetted by any internal committee or compliance group? If so, describe the process.
- Comment on the firm's current biases and/or overweights/underweights in the following areas: active vs. passive investment management, inflation vs. deflation, geography, capitalization, alternative investments including hedge funds and private equity.
- Discuss the methodology used for asset allocation modeling for a tax-exempt client. Describe how the firm's long-term financial objectives, tolerance for volatility and liquidity/cash flow needs are incorporated into the asset allocation model.
- Describe how risk is factored into asset allocation and manager recommendations. Does the firm propose actions to mitigate or optimize portfolio risk? If so, please provide examples.
- Please provide a sample asset allocation used for a similar client. How has the recommended

portfolio performed in both up and down markets? How does this differ from the average asset allocation proposed for clients?

- Describe the process and timing to develop a specific asset allocation strategy for a tax exempt client.
- Describe the firm's capabilities and approach regarding non-liquid alternative investments, such as private equity, including funds of funds.
- How many managers and investment styles are held in a typical portfolio (overall and by asset class)?

Performance measurement/reporting

- Describe the metrics and benchmarks used by your firm to measure risk and return. How do these differ across asset classes?
- Does the firm calculate performance measurement internally or use an outside vendor? Describe the process. If the firm uses an outside vendor, please identify the vendor used, the tenure of the relationship and the remaining term of the current contract.
- Describe the methods and sources of data used for analyzing the performance of investment managers and the portfolio. Specifically, include the monitoring of performance, risk, style integrity, manager guideline compliance, etc. Describe any watch list criteria and provide examples of how managers have been terminated.
- How many business days after the end of a reporting period are performance reports available? Can the reports be customized? How do you monitor the accuracy of your reports? Provide a sample of a quarterly performance report update as an attachment.

Research and due diligence

- Provide a general description of the size and capabilities of your research department.
- Provide a detailed description of your firm's investment manager evaluation process.

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Fee structure

- Please outline your fee structure, and indicate all services you propose to provide and their associated fees.

References

- Attach a list of at least three references. Indicate the length of time you have provided investment services to the client and an overview of the extent of those services.

SUBMITTING A PROPOSAL

Proposals must be received by **5 p.m. EST Friday, Jan. 24, 2020**.

Proposals and questions can be emailed to Patti Ruwe at pruwe@interactforhealth.org.

Responses will be reviewed by the Investment Committee in February. We anticipate that the Investment Subcommittee will conduct interviews during March and April. Interact for Health reserves the right to reject any or all responses to this RFP, to re-solicit or not, and/or to waive formalities as deemed in the best interest of Interact for Health.