Public Education Foundation of Marion County
Request for Proposal (RFP)
Investment Services

This proposal must be submitted to the Public Education Foundation of Marion County (PEFMC) 1239 NW 4th Street, Ocala, Florida, 34475 or via email to Meghan.Magamoll@marion.k12.fl.us no later than 4:00PM, **Thursday, June 9th, 2022**.

PROPOSAL CERTIFICATION

PROPOSER (firm name): ____

ADDRESS: ____

PRINTED NAME OF AUTHORIZED REPRESENTATIVE: __________________________

SIGNATURE OF AUTHORIZED REPRESENTATIVE: __________________________

TITLE: ______________________________ **DATE:** ______________

CONTACT PERSON: ____

CONTACT PERSON'S ADDRESS: ______________________________________

PHONE: ________________________ **FAX:** ________________________

E-MAIL ADDRESS: ______________________ **WEBSITE:** ______________

PROPOSER TAXPAYER IDENTIFICATION NUMBER: __________________________

NOTE: An original manual signature is required on documents before scanning and sending electronically.

Mission of the Public Education Foundation of Marion County:
The mission of the Public Education Foundation of Marion County (PEFMC) is to financially and materially support Marion County Public Schools, its students and teachers.

Scope of Work:
To manage the investments of PEFMC in accordance with the organization's Investment Policy. The investment policy is included at the end of this document.

RFP Inquires:
Any questions concerning conditions and specifications must be submitted in writing and received no later than 5 days prior to the deadline for receiving the RFP.

Send all inquiries to attention: ***Meghan Magamoll,*** Executive Director
Public Education Foundation of Marion
1239 NW 4th Street, Ocala, Florida 34475
Meghan.Magamoll@marion.k12.fl.us

Information required from Proposer

A. **The Firm**
   1. Provide a brief history of your firm and parent organization.
   2. To what extent are any of the services you provide electronically accessible to your clients?

B. **General Information**
   1. Describe your firm's process for monitoring industry and market trends affecting investment funds with similar balances and characteristics.
   2. What differentiates your organization's investment advisory and manager search services from competitors?
   3. Describe the firm's approach to the improvement of a client's existing investment policy?
   4. Over the past five years, has the firm, any primary consultant, or any other officer of principal been involved in any business litigation, regulatory, or other legal proceedings or government investigations involving fraud, negligence, criminal activity, or breach of fiduciary duty relating to investment consulting, advisory or management activities? If so, please describe the case, provide an explanation and indicate the current status.
   5. Describe your firm's strengths, highlighting the aspects of your service that make you unique from your competition. Which investment consulting services are the firm's specialties or areas of greatest expertise?

C. **Investment Information**
   1. Describe your firm's asset allocation process.
   2. Describe your rebalancing process.

D. **Fees/Performance Reporting**
   1. Are you willing to guarantee your fees for a specific period of time?
   2. How frequently do you bill clients?
   3. How frequently are performance reports provided? How soon after the end of the reporting period are performance reports available?

Preparation and Submission:
In order to maintain comparability and enhance the review process, it is requested that proposals be organized in the manner specified below.

A. Title Page (Proposer Certification page 1) - all information must be complete to qualify.
B. All information required from proposer. Incomplete submissions will not be scored.

Evaluation Criteria:
The Evaluation Committee shall rank all proposals received which meet the submittal requirements. The following factors will be considered in ranking the proposals received:

A. Demonstrable Understanding of the Scope of Services
B. Successful Experience and Qualifications of Staff
C. Cost of Services
D. References of the Firm

Public Education Foundation of Marion County
Investment Policy Statement

I. Introduction

The Public Education Foundation (hereafter referred to as the "Foundation") was created to provide perpetual financial support to Marion County Public Schools. The purpose of this Investment Policy Statement is to establish guidelines for the Foundations investment portfolio. The statement also incorporates accountability standards that will be used for monitoring the progress of the Portfolio's investment program and for evaluating the contributions of the manager(s) hired on behalf of the Foundation and its beneficiaries.

II. Role of the Investment Committee

The Investment Committee (the "Committee") is acting in a fiduciary capacity with respect to the Portfolio, and is accountable to the Board of the Public Education Foundation and to the Executive Committee, for overseeing the investment of all assets owned by, or held in trust for, the Portfolio.

A. This Investment Policy Statement sets forth the investment objectives, distribution policies, and investment guidelines that govern the activities of the Committee and any other parties to whom the Committee has delegated investment management responsibility for Portfolio assets.

B. The investment policies for the Foundation contained herein have been formulated consistent with the Foundations anticipated financial needs and in consideration of the Foundations tolerance for assuming investment and financial risk, as reflected in the majority opinion of the Committee.

C. Policies contained in this statement are intended to provide guidelines, where necessary, for ensuring that the Portfolios investments are managed consistent with the short-term and long-term financial goals of the Foundation. At the same time, they are intended to provide for sufficient investment flexibility in the face of changes in capital market conditions and in the financial circumstances of the Foundation.

D. The Committee will review the Investment Policy Statement at least once per year. Changes to this Investment Policy Statement can be made only by affirmation of a majority of the Committee, and written confirmation of the changes will be provided to all Committee members and to any other parties hired on behalf of the Portfolio as soon thereafter as practical.

III. Investment objective and spending policy

A. The Foundation is to be invested with the objective of preserving the long-term, real purchasing power of assets while providing a relatively predictable and growing stream of annual distributions in support of the Foundation.

B. For the purpose of making distributions, the Foundation shall make use of a total-return based spending policy, meaning that it will fund distributions from net investment income, net realized capital gains, and proceeds from the sale of investments.

C. The distribution of Foundation assets will be permitted to the extent that such distributions do not exceed a level that would erode the Foundations real assets over time. The Committee will seek to reduce the variability of annual Foundation distributions by factoring past spending and Portfolio asset values into its current spending decisions. The Committee will review its spending assumptions annually for the purpose of deciding whether any changes therein necessitate amending the Foundations spending policy, its target asset allocation, or both.

D. Periodic cash flow, either into or out of the Portfolio, will be used to better align the investment portfolio to the target asset allocation outlined in the asset allocation policy at Section IV. A. herein.

IV. Portfolio investment policies

A. Asset allocation policy

1. The Committee recognizes that the strategic allocation of Portfolio assets across broadly defined financial assets and sub asset categories with varying degrees of risk, return, and return correlation will be the most significant determinant of long-term investment returns and Portfolio asset value stability.
2. The Committee expects that actual returns and return volatility may vary from expectations and return objectives across short periods of time. While the Committee wishes to retain flexibility with respect to making periodic changes to the Portfolio's asset allocation, it expects to do so only in the event of material changes to the Foundation, to the assumptions underlying Foundation spending policies, and/or the capital markets and assets classes in which the Portfolio exists.
3. Foundation assets will be managed as a balanced portfolio composed of two major components: an equity portion and a fixed income portion. The expected role of the Foundation equity investments will be to maximize the long-term real growth of Portfolio assets, while the role of fixed income investments will be to generate current income, provide for more stable periodic returns, and provide some protection against a prolonged decline in the market value of Portfolio equity investments.
4. Cash investments will, under normal circumstances, only be considered as temporary Portfolio holdings, and will be used for Foundation liquidity needs or to facilitate a planned program of dollar-cost-averaging into investments in either or both of the equity and fixed income asset classes.
5. The long-term strategic guidelines, determined by the Committee to be the most appropriate, given the Foundations long-term objectives and short-term constraints dictate portfolio assets will, under normal circumstances, be allocated across broad asset and sub asset classes in accordance with the guidelines for a balanced portfolio of equities and fixed assets, where equities will not exceed 80%.

6. To the extent the Portfolio holds investments in nontraditional, illiquid, and/or nonmarketable securities including (but not limited to) venture capital, hedge funds, and real estate investments, these assets will be treated collectively as alternative investments for purposes of measuring the Portfolio's asset allocation. While not specifically considered within this policy, alternative investments may comprise no more than 15% of total Portfolio assets and, to the extent they are owned, will proportionately reduce allocations to the three primary classes itemized above.

B. Diversification policy

1. Diversification across and within asset classes is the primary means by which the Committee expects the Portfolio to avoid undue risk of large losses over long time periods. To protect the Portfolio against unfavorable outcomes within asset class due to the assumption of large risks, the Committee will take reasonable precautions to avoid excessive investment concentrations. Specifically, the following guidelines will be in place:

    a. With the exception of fixed income investments explicitly guaranteed by the U.S. government, no single investment security shall represent more than 5% of total Portfolio assets.
    b. With the exception of passively managed investment vehicles seeking to match the returns on a broadly diversified market index, no single investment pool or investment company (mutual fund) shall comprise more than 20% of total Portfolio assets.
    c. With respect to fixed income investments, for individual bonds, the minimum average credit quality of these investments shall be investment grade (Standard & Poors BBB or Moody's Baa or higher).

C. Rebalancing

It is expected that the Portfolios actual asset allocation will vary from its target asset allocation as a result of the varying periodic returns earned on its investments in different asset and sub asset classes. The Portfolio will be rebalanced to its target asset allocation under the following procedures:

1. The investment manager will use incoming cash flow (contributions) or outgoing money movements (disbursements) of the Portfolio to realign the current weightings closer to the target weightings for the Portfolio

2. The investment manager will review the Portfolio semiannually (June 30 and December 31) to determine the deviation from target weightings. During each semiannual review, the following parameters will be applied:

    a. If any asset (equity or fixed income) within the Portfolio is +/-5 percentage points from its target weighting, the Portfolio will be rebalanced.
    b. If any fund within the Portfolio has increased or decreased by greater than 20% of its target weighting, the fund will be rebalanced.

3. The investment manager may provide a rebalancing recommendation at any time

4. The investment manager shall act within a reasonable period of time to evaluate deviation from these ranges

D. Other investment policies

Unless expressly authorized by the Committee, the Portfolio and its investment managers are prohibited from:

1. Purchasing securities on margin or executing short sales.

2. Pledging or hypothecating securities, except for loans of securities that are fully collateralized.

3. Purchasing or selling derivative securities for speculation or leverage.

4. Engaging in investment strategies that have the potential to amplify or distort the risk of loss beyond a level that is reasonably expected, given the objectives of their Portfolio.

V. Monitoring portfolio investments and performance

The Committee will monitor the Portfolios investment performance against the Portfolios stated investment objectives. At the frequency to be decided by the Committee, it will formally assess the Portfolio and the performance of its underlying investments as follows:

A. The Portfolios composite investment performance (net of fees) will be judged against the following standards:

    1. The Portfolio's absolute long-tern real return objective.

    2. A composite benchmark consisting of the following unmanaged market indexes weighted according to the expected target asset allocations stipulated by the Portfolio's investment guidelines.

        a. U.S Equity: Wilshire 5000 Total Return Market Index
        b. Non-U.S.: MSCI EAFE +EM Index
        c. Investment Grade Fixed Income: Barclays Capital U.S. Aggregate Bond Index
        d. Non-Investment Grade Fixed Income: Barclays Capital U.S. Corporate High Yield Bond Index
        e. Cash: Citigroup 3-Month T-Bill Index

B. The performance of the professional investment managers hired on behalf of the Portfolio will be judged against the following standards:

1. A market-based index appropriately selected or tailored to the manager's agreed-upon investment objective and the normal investment characteristics of the manager's portfolio

2. The performance of other investment managers having similar investment objectives

C. In keeping with the Portfolios overall long-term financial objective, the Committee will evaluate Portfolio and manager performance over a suitably long-term investment horizon, generally across full market cycles, or, at a minimum, on a rolling five-year basis.

D. Investment reports shall be provided by the investment manager(s) on a (calendar) quarterly basis or as more frequently requested by the Committee. Each investment manager is expected to be available to meet with the Investment Committee once per year to review portfolio structure, strategy, and investment performance

VI. Fee Schedule

Documenting the fees in the statement and reviewing at minimum semi-annually continuously educates the Foundation, Executive Committee, and Board of Directors on how fee structure is charged

VII. Expense Calculation

Asset-Based: Expenses are based on the amount of assets in the plan and generally are expressed as percentages or basis points

Transaction-Based: Expenses are based on the execution of a particular plan service or transaction

VIII. Fee Rates

The Client (Foundation) fee should equal the financial advisor fee plus any applicable manager/program administration fees and/or expense ratio fees for any funds purchased

Financial Compensable Fee Rate:	0-1.25%
Manager/Administrative Rate:	0.1-0.3%
Average Expense Ratio:	0.05-1.00%

Board Approved 07/02/18