

WHAS CRUSADE FOR CHILDREN

Request for Proposal for Investment Management Services

I. INTRODUCTION

The WHAS Crusade for Children is soliciting proposals from investment firms to provide certain investment management services. This request for proposal contains background information on the WHAS Crusade for Children and identifies specific information that must be included in the proposals submitted. The proposals must be submitted by no later than 5:00 PM, September 1, 2009 (Tuesday), directly to our office at the following address:

WHAS Crusade for Children
520 West Chestnut Street
Louisville, KY 40202

Attn: Dawn Lee

II. BACKGROUND

The WHAS Crusade for Children is a not-for-profit organization, tax-exempt under Internal Revenue Code Section 501(c)(3). The WHAS Crusade for Children exists to change the lives of children with special needs in Kentucky and Indiana by raising funds annually that are allocated to qualifying agencies through our granting process.

The WHAS Crusade for Children currently has approximately \$5,000,000 of investable assets in a segregated Endowment Fund.

Enclosed is a copy of the 22 page current Endowment Investment and Spending Policy. If your proposal would conflict with this Policy, you should identify the area of conflict and give your reasoning and suggested changes. Also, Section IX – Investment Strategy enumerates several criteria that are to be used in the selection of an investment manager. Please address these in your proposal along with any changes you determine appropriate.

The proposal should include availability of cash from interest earned on a quarterly or annual basis to be used by the organization for overhead expenses. This past year, approximately \$235,000 of interest income was utilized by the organization for overhead expenses, allowing 100% of the funds raised for children to go directly to grants.

The term of this engagement will be indefinite and ongoing but may be cancelled by either party with a minimum of 30 days notice.

III. PROPOSAL REQUIREMENTS

The following items should be specifically addressed in the proposal and must reference the item number:

WHAS CRUSADE FOR CHILDREN

Request for Proposal for Investment Management Services

1. Company information
 - 1.1. Year organized
 - 1.2. Number of clients
 - 1.3. Type of clientele (individual, trust, business, etc.) and range of portfolio sizes
 - 1.4. Number of staff (investment –related staff only)
 - 1.5. Assets under management
 - 1.6. Number of offices and local presence of those offices
 - 1.7. Location of corporate headquarters
 - 1.8. Related organizations
 - 1.9. Discussion of any past or present litigation or regulatory actions against your firm or staff
2. The qualifications of your firm and its ability to provide investment management services
 - 2.1. Qualifications of principals and professional staff
(This should include education, training, experience, degrees, designations and another other items that would enhance your presentation, including identifying those individuals who will be directly responsible for this account.)
 - 2.2. Number of years of experience in investment management (minimum of 10 years required)
 - 2.3. Discussion of investment philosophy
 - 2.4. Discussion of your customer service philosophy
3. Relevant experience with other similar not-for-profit organizations
 - 3.1. Include a list of your not-for-profit organizations
 - 3.2. Include three specific references that we may contact of clients most similar to the WHAS Crusade for Children in type and size of business and similar services requested
4. Reporting, portfolio evaluation and review of accounts
 - 4.1. Frequency of reporting to clients (looking for a minimum of monthly evaluations with an oral, in-person report at least twice yearly)
 - 4.2. Form of your reports (please provide sample)
 - 4.3. Frequency of portfolio evaluation
 - 4.4. Frequency of account review by your firm and willingness to meet with management to discuss performance

WHAS CRUSADE FOR CHILDREN

Request for Proposal for Investment Management Services

5. Recommended asset allocation

- 5.1 Recommended asset allocation and estimated past annual rate of return for one, three, five and ten years using this allocation
- 5.2 Include a discussion of the efficient frontier for the recommended asset allocation and the risk/reward spectrum for your recommendation(s)
- 5.3 Discuss your use of individual securities, mutual funds, EFTs, etc.
- 5.4 Discuss your use of proprietary funds, if any
- 5.5 Recommended benchmarks against which your performance will be evaluated

6. Recommended changes to the investment policy

- 6.1 Note information in Section II - Background
- 6.2 Rationale for recommendations
- 6.3 Pros and cons of recommended changes

7. Research and investment decisions

- 7.1 Provide research methods and resources (external and internal)
- 7.2 Discussion of investment decision making process (committee, portfolio manager, external investment managers, etc.)

8. Fees

- 8.1 Indicate all fees involved for each of the services you are proposing to provide
- 8.2 Include a breakout of the initial and ongoing consulting fees and the custodial and management fees as a percentage of the dollar value of the assets
- 8.3 Discuss the frequency in which such fees will be evaluated and the maximum amount of any increase to be expected

9. Other services

- 9.1 Please address any alternative or additional services that you are capable of providing that may be of benefit to The WHAS Crusade for Children
- 9.2 Discuss your experience in rendering such services

IV. SELECTION PROCESS AND TIMING

We will review all proposals based on the criteria outlined above. Those firms whose proposals are selected for further consideration may be asked to make a personal presentation to us and/or answer questions in advance of our final selection.

Please let us know at your earliest convenience, but by no later than Monday, August 24, 2009, if you are going to respond to this request for proposal. (See below for contact information.)

WHAS CRUSADE FOR CHILDREN

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Responses to this proposal must be received at this office by no later than 5:00 PM on Tuesday, September 1, 2009. We ask that you forward four (4) copies of the proposal to the address shown below directed to the attention of Dawn Lee. We may, at our discretion, meet with a few final candidates the last week of September. We plan to make our selection by no later than December 10, 2009, and would expect work to begin at our earliest convenience thereafter.

V. CONTACT INFORMATION

Please feel free to ask any questions up until the due date. All inquiries should be in writing and directed to the following:

Dawn Lee, WHAS Crusade for Children
email: dawn@whascrusade.org

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