

MEDALLION INVESTMENT ADVISORS REQUEST FOR QUALIFICATIONS

Thank you for your interest in serving as a Medallion Investment Advisor of the Chester County Community Foundation.

Background:

The Community Foundation's pooled invested portfolio is managed by Hirtle Callaghan, LLC. Reporting to the Investment Committee, Hirtle Callaghan handles the majority of the day-to-day pooled invested portfolio management and also consolidates reporting for the Foundation.

The Community Foundation also invites investment relationships with Medallion-Approved Investment Advisor Firms.

- Medallion designation approval is awarded to those firms which pass the Foundation's Medallion due diligence process.
- Assets are only managed by Medallion firms when fund donors specifically request them.
- Funds managed by Medallion firms are separate from the pooled Foundation assets.
- Medallion firms become pre-approved to manage separate non-aggregated funds that are the legal property of the Community Foundation.
- Medallion partner assets grow as new or existing donors request this service of the Community Foundation and the investment advisor/firm jointly.
- The minimum amount to start a donor advised fund in the Medallion program is \$250,000 with the intent to grow to at least \$1 million. (The minimum for non-medallion investment partner program funds is \$25,000.)
- The Foundation has 3 levels of Medallion Investment Partners for Separately Managed Accounts:



Gold=Foundation Funds Invested Silver=Planned Gift Pledge Investment Partner Bronze=Pre-approved as medallion partner, no funds yet

Please answer these questions to be considered for Medallion Investment Advisor status with the Chester County Community Foundation

Firm Information:

Firm Name:

Address:

Primary Contact for the Foundation:

Phone:

E-mail:

Internet <http://>

Is your firm registered with the SEC and/or a state? If yes, please email a copy of the firm's most current Form ADV Part 2A and 2B.

If your firm is registered as a broker dealer, please include a link to the appropriate FINRA broker check information.

A. Organization

1. Please provide the following information on your firm: date founded, corporate structure, office locations, location from which this account would be serviced, key affiliation with other companies. If your organization is a subsidiary, parent or affiliate of another firm, please describe the relationship.
2. What is your organization's key distinctiveness as a firm? What sets your services apart to institutional investors?
3. Discuss your firm's ownership structure and any succession plan, if applicable. If your firm has had changes in ownership and/or management within the past 2 years, and/or anticipates such within the next 2 years, please describe.
4. Discuss your business continuity plan and how you manage operational risks organizationally.
5. Please provide, in detail, your firm's insurance coverage.
6. Discuss your custodial arrangements.
7. To what degree does your organization function as a fiduciary?
8. Please identify all sources of revenue for your firm.
9. Disclose any conflicts of interest you have in serving as an investment advisor (i.e. relationships with custodians, investment managers, proprietary products, areas when the firm might make more money by recommending certain asset classes or products, brokerage firms, etc.). Please provide a copy of your firm's Code of Ethics. How is the Code of Ethics enforced?
10. Has your organization or any employee ever been involved in litigation relating to investment activities, or have they otherwise been involved with the SEC or any other federal, state, or local regulatory agency for any violation of applicable law? If yes, provide a brief summary and indicate the status of the proceedings.

11. Please describe the financial condition of your firm, parent, or affiliate. Within the past three years, have there been any changes in ownership or restructuring? If anticipated, describe any future, significant changes in your firm.
12. How much experience does the firm have in overseeing multi- asset class, diversified investment portfolios?

B. Client Base

1. What are the total number of investment clients your organization (or team) serves and the total assets of those clients?
2. What percentage of your clients are taxable vs. tax exempt? Please breakout specific AUM and # of accounts for charitable organization, including public and private foundations and endowments. Please indicate if you currently or have managed assets for any donor-advised funds and/or community foundations.
3. How many nonprofit clients do you serve by the following asset sizes?
 - a. \$0-10 million
 - b. \$10-25 million
 - c. \$25-100 million
 - d. \$100 million +
4. Please provide a sample institutional client list, if possible.

C. Team

1. Provide an organizational chart that includes all relevant key individuals employed in your firm, or if more applicable, your team. Include the number of full-time employees with a breakdown by classification or function.
2. List the personnel you propose to assign to this relationship and their responsibilities at your firm or team. Provide brief biographical information on each individual including their positions in the organization, number of years in each position, education, training, and type of experience in investment advising to nonprofit organizations, foundations and individuals.
3. Describe the flow of communication among the investment decision maker, the client relationship manager, and the client regarding investment decisions.
4. Identify your firm's compensation arrangement for professional staff. Describe any circumstances under which the firm or any individual in your firm receives compensation in a manner which could result in any conflicts of interest in regards to managing the profit sharing plans.
5. Have you had any high level hires or departures in the past 5 years? Please explain the departures.

D. Investment Philosophy and Process

1. Please provide a brief summary of your firm's investment philosophy and process.

2. Who makes the investment decisions for your firm or team? What is their background and experience?
3. Provide a general description of your research department. If no separate department exists, describe how this function is performed.
4. How do you define investment risk? How do you manage investment risk in client portfolios?
5. Briefly describe, in general, how you would approach the investment management for a fund of the Chester County Community Foundation, including asset allocation and appropriate asset classes.
6. Describe your approach for recommending asset allocation strategies within the framework of an existing strategic asset allocation policy.
7. Describe your approach for recommending tactical allocation changes on an on-going basis.
8. Describe your firm's client communication process, including communicating changes in tactical asset allocation weightings, as well as any changes in investment managers / vehicles.
9. What is your rebalancing policy?
10. Explain your philosophy toward utilizing active vs. passive management.

E. Security Selection/Manager Selection

1. Does your firm utilize internally or externally managed investment strategies?
2. Explain your philosophy toward utilizing active vs. passive management.
3. Do you implement portfolios through:
 - a. Individual Securities
 - b. 3rd-party managers (mutual funds/SMAs, i.e.: Manager of Managers portfolio)
 - c. ETFs and Index funds
 - d. Partnerships
 - e. Combination of above
4. Describe your process for selecting a security, manager or funds for inclusion in portfolio. Include the following information:
 - a. The number of staff involved in the research process
 - b. Outside resources included in your process
 - c. Proprietary tools used in your process
 - d. Process for review and approval of an "idea"
 - e. Oversight of portfolios for compliance with firm recommendations and client objectives
 - f. Sell discipline
 - g. Please include a proposed or sample portfolio
5. If utilizing internal firm strategies:
 - a. How do you monitor performance for these strategies?
 - b. Do you compare to outside choices?
6. If using outside managers:

- a. What is the universe of managers you have available? How often it is updated? Describe the size, composition and source of your investment manager database.
 - b. Describe the criteria you use to determine when a manager should be terminated or on watch list. How and when is this communicated to clients?
7. Does your firm utilize alternative investments? Please describe the firm's experience in researching, selecting and monitoring managers in alternative asset classes, such as hedge funds, private equity and real estate.
 8. To what extent do you implement client portfolios in investment strategies or products which do not have daily liquidity?

F. Performance Measurement and Evaluation

1. Is your firm GIPS compliant? Does your firm calculate performance measurement internally or use an outside vendor?
2. List and provide performance statistics for the last 10 years. We would prefer to see composite performance for clients who have approximately 70% equity/30% fixed income allocation, using the most recent quarter.
3. How many business days after the end of a reporting period are the performance reports available electronically? Can the reports be customized?
4. What are your thoughts about investment performance benchmarking?
5. Describe how you analyze and evaluate your clients' overall portfolio performance. Describe your organization's risk assessment/monitoring capabilities and processes at the asset class / manager level, as well as the total portfolio levels.
6. Describe the methods and sources of data for analyzing the performance of the clients' underlying investment managers and strategies or asset class levels. Specifically, include the monitoring of performance, risk, style, integrity, contract compliance, account restrictions, etc. Do you provide portfolio performance attribution?
7. Please send a sample of 1) a Quarterly Performance Report and 2) a custodial statement.

G. Fees

1. How are your investment advisory fees determined? How are fees billed, and do all clients receive a written calculation each billing period? Please attach a copy of your fee schedule.
2. What would be the all-in fees that we would pay, including investment advisory, investment management fees, trading, custody, etc.?
3. If hired, will your firm receive any other form of compensation, including soft dollars, from working with this account that has not yet been revealed? If so, what is the form of compensation?

H. Community Involvement

1. Are there specific ways your firm formally supports community charitable involvement (ie: giving program, sponsorships, employee volunteer days, etc.)? Please describe.
2. What unique value-added services could you provide for the Chester County Community Foundation?

Scorecard – Questionnaire Review

Staff Review Date: _____

Staff Reviewer: _____

Organization Score: _____

Client Base Score: _____

Team Score: _____

Investment Philosophy and Process Score: _____

Security Selection / Manager Selection Score: _____

Performance Measurement and Evaluation Score: _____

Fees Score: _____

Community Involvement Score: _____

OVERALL SCORE: _____

Scorecard – Site Visit Review

Staff Review Date: _____

Staff Reviewer: _____

Organization Score: _____

Client Base Score: _____

Team Score: _____

Investment Philosophy and Process Score: _____

Security Selection / Manager Selection Score: _____

Performance Measurement and Evaluation Score: _____

Fees Score: _____

Community Involvement Score: _____

OVERALL SCORE: _____

Scores are Green (Go) or Red (No)