

Investment Committee Recommendation

- Objective to identify a suitable investment manager to replace Texas Presbyterian Foundation.
 - 3 RFP Sent
 - CapTrust – Registered Investment Advisor based in Charlotte NC with Denver office
 - Northern Trust – National footprint with dedicated team serving non-profit organizations, endowments and foundations.
 - Vanguard - National footprint with dedicated team serving non-profit organizations, endowments and foundations.
 - Selected Northern Trust and Vanguard for interview. CapTrust eliminated due to RMC not fitting local representative's new client parameters.
 - Investment Committee participated in lengthy virtual presentations involving:
 - key point personnel responsible for portfolio management, administration, onboarding. Very thorough introductions and participation of key players.
 - Dedicated team serving non-profit organization, endowments and foundations with over 30 years each serving this niche.
 - Average client relationship size and where RMC's \$10 million fits in organizations current client relationship.
 - Significant discussion of investment philosophy, portfolio management, portfolio allocation to meet RMC investment objectives.
 - Internal controls addressing internal security and controls, online access to portfolio positions, valuations, transaction details and monthly statements.
 - Interaction with RMC Investment Committee for reporting and review and more importantly, interface with RMC staff.
 - Review of RMC Investment Policy Statement and recommendations for refinement.
 - Fee structure and cost covering advisory service, investment management cost and custodial service.
 - Historical portfolio performance for a portfolio similar to RMC allocation and IPS requirements understanding that the illustrations are static and do not reflect any tactical or strategy adjustments over a 5 or 10 year period of time.
 - Investment Committee Recommendation
 - Factors
 - Each strong history of working with non-profits.
 - Each had a strong line up of investment options including passive (index funds) verse active management.
 - Each construct custom portfolios to meet RMC investment objectives and risk tolerance consistent with IPS guidelines.

- Each provide ESG (Environment, Social, Governance) investment options.
 - Each have talented point people with back-up coverage.
 - Each have solid client reporting and security controls.
 - In summary two solid candidates to choose as a replacement.
- Recommendation
 - Vanguard
 - Relationship and Portfolio Manager – Drew Allison
 - 25 clients with an average portfolio size \$14 Million
 - Team of 3 with Drew as the key decision maker and point of contact.
 - Instilled confidence in approach to managing the portfolio and administering the relationship.
 - Solid historical performance – see attached
 - Fee –
 - Vanguard - .41% compared to .74% for Northern
 - All-inclusive fee covering advisory, fund cost and custodial services.
 - Respected name recognition among retail and institutional investors.
 - \$9 Billion assets under management for non-profit organizations
 - 1,200 client relationships
 - Consulting and value added services provided by Northern not worth the added cost for an endowment our size.