

Sample questions to include in a  
Foundation, Endowment or Nonprofit Organization  
Request for Proposal (RFP)

**Investors should carefully consider the investment objectives, risks, charges and expenses of the American Funds. This and other important information is contained in each fund's prospectus, which can be obtained from your financial representative and should be read carefully before investing. Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so you may lose money.**

Below is a list of questions that could be included in a Request for Proposal (RFP) for your nonprofit organizations. This list of questions is not comprehensive and may not meet all the needs of your organization. Please consult with your financial adviser or consultant regarding additional questions that may be appropriate for your organization. In addition, your RFP should include a copy of your organization's investment policy, a brief description of the endowment assets eligible for asset management services and contact information. It is also recommended that a timeline be included outlining the deadlines for submitting proposals, as well as when final candidates will be selected and scheduled for final interviews.

All Investment Services

1. Describe why your firm should be selected.
2. Provide the name, title, address, telephone number, fax number, and e-mail address of the individual who should be contacted regarding questions about your proposal, as well as your primary contact going forward.
3. Provide a description of your firm. Include location of your organization's headquarters, depth of professional and support staff, the year formed, ownership structure, and the amount of total assets managed.
4. Provide a statement that your firm is a registered investment adviser under the Investment Advisors Act of 1940.
5. Describe to what extent your firm uses in-house research versus buying outside research.
6. Describe methods you use to measure historical performance.
7. Indicate how many clients have left your firm in the last three years.
8. Describe our account size compared with other accounts of like size that your firm now manages.
9. List your fee scale for the services provided (broken out by custodial, consultant and investment fees) including indirect costs (such as fees deducted for administrative and miscellaneous expenses) and an estimate (or history) of trading costs. Assume assets under management in a range from \$5 million to \$50 million.

### All Investment Services, continued

10. List any requirement you have for your clients (in terms of time and information needed in order to perform your services).
11. Please state related services your firm can provide that would be beneficial to the foundation. Provide a statement describing your client-relationship philosophy as it pertains to your relationship with foundations, endowments and nonprofit organizations.
12. List a minimum of five clients as references.
13. Describe any investment consulting services your firm can provide.
14. Discuss whether the manager's fees are the only compensation your firm receives. Do you receive compensation or services from securities dealers, traders, or sales persons where transactions are executed?

### Investment Management Services

15. Describe key factors that would cause you to buy or sell a particular security.
15. Provide data on your average holding period for a security.
16. Provide data on the average turnover of your portfolio.
17. Provide data on the annual total return, net of fees, on your firm's mutual funds over the past one-, three-, five-, ten-, fifteen-, and twenty-year periods (and since inception).
18. Provide the name of the primary investment manager. How long has that individual been with your firm? How many accounts does that individual manage now? Does that manager currently handle clients with similar goals to ours, in a similar industry, holding similar investments? Who would be back-up and how many accounts does that person manage now?
19. Describe how your portfolio managers are compensated.
20. Would you propose utilizing the services of an affiliated broker/dealer and, if so, please describe the types of transactions for which such affiliates would be used and the financial arrangement with the broker/dealer.