

**Massachusetts College of Art and Design
RFP 25-02 Investment Management Services
Bid Addendum #1 – Questions and Answers**

Q. Why is the search being conducted - contract expiration of incumbent provider(s), standard due diligence purposes, influx of capital, outsourcing management to a firm etc.?

A. MassArt recognizes the importance of a strategic partnership and is ready to engage a provider.

Q. What firm currently provides the services? Will the incumbent provider(s) be allowed to rebid?

A. No firm currently provides these services.

Q. Will MassArt consider proposals from discretionary managers or outsourced CIOs?

A. No

Q. What is the selected firms' contract length/term expected to be?

A. Any contract resulting from this RFP shall be for an initial duration beginning on date contract is signed through September 30, 2027. MassArt reserves the right to extend the contract for up to two additional twelve month periods with the same terms and conditions.

Q. Is there a current Investment Policy Statement that you could share with us?

A. Yes. The current investment policy is now posted as an attachment to the bid.

Q. What is the pool of assets for this RFP: MassArt Foundation, College's balance sheet or another pool of assets?

A. College assets totalling \$20-25M

Q. Please confirm the asset size of the pool of assets for this RFP. Noticed the RFP asks for an asset allocation for \$20 - \$25 million portfolio – is that the range of the size of the asset pool for this RFP?

A. Yes

Q. Are you able to share the current Investment Policy Statement (IPS), including current asset allocation, benchmark and spend rate?

A. Current Investment Policy Statement is now posted as an attachment to the bid. No current asset allocation - just proposed.

Q. Are you able to share the current portfolio holdings and/or the statement?

A. Not applicable

Q. What are the pain points with your current provider, if any? What does your current provider do really well?

A. Not Applicable

Q. Does this RFP process include a consultant?

A. MassArt has not employed the services of a consultant to facilitate the bid process.

Q. Do you have a current OCIO investment management relationship, and if so, for how long?

A. No

Q. What company currently serves as the custodian? Do you have multiple custodians and what is their role with regards to the foundation's assets?

A. Not applicable for the College

Q. Other than from asset returns, how do you expect foundation assets to grow over the next few years? Do you have a planned fundraising campaign or expectations for increased contributions?

A. Foundation assets are not included in this RFP but could be added in the future. Increases above investment returns would come from planned savings or reserves necessary to meet future goals.

Q. Can you share more detail regarding the current asset allocation and composition of the portfolio?

A. Not applicable for the college.

Q. Is this RFP for the investable assets of the Massachusetts College of Art and Design only, the Massachusetts College of Art and Design Foundation Inc (EIN#04-2742359) only or both?

A. This RFP is for Massachusetts College of Art and Design only. Foundation assets are not included in this RFP. The bid is written to allow for the Foundation to utilize this contract in the future if they decide to.

Q. Can you share a current snapshot of the College's portfolio holdings, as of the most recent time-period, including endowment value? This will help us to understand the current asset allocation/investment strategies that are being used to implement the portfolio.

A. Not applicable for the college.

Q. Are you able to receive a zip file so that we can include supplemental materials with our response?

A. Yes.

Q. Does MassArt have any current ESG or Values-Based investments/strategies within the portfolio?

A. Not applicable

Q. Can you confirm who custodies the portfolio? When was the last time their services were evaluated?

A. Not applicable

Q. Are there any specific pain points with the current investment consultant or services? Are there any areas or aspects we might address or elaborate on, other than those noted in the RFP?

A. Not applicable

Q. What steps if any has the College taken to consider ESG/Impact managers or strategies for your portfolio? Are you incorporating these strategies/managers in the portfolio today? What themes/areas within ESG or Impact may be of interest to the committee (e.g., health-oriented, diversity, equity, and inclusion, environmental, or corporate responsibility as examples)? Additionally, can you please affirm that there are no socially responsible restrictions on the portfolios?

A. The college is asking for respondents to share their approach to ESG/impact investing. There are no proposed restrictions other than anything already prohibited by the Massachusetts General Laws.

Q. What types of alternative investments do you currently have in the portfolio today? Do you have any commitments to illiquid private capital partnership? What is the dollar amount you have remaining to illiquid partnerships? If no current exposure, is the College open to considering alternative investments, over time, at a pace you feel comfortable with. Are there any alternative investment strategies that the College is not open to considering for the portfolio currently?

A. Not applicable for the college currently. Alternative investments may be considered as part of a balanced portfolio within the limits outlined in the IPS.

Q. We would like to learn more about the College's strategic priorities for the current environment. How would you describe the priorities that your board and leadership team are focused on (e.g., diversity, equity, and inclusion; strategic planning; board recruitment and education; diversifying revenue streams; continued expansion of your fundraising/development strategy including the inclusion of complex assets, donor-advised funds (DAFs), qualified charitable distribution (QCDs), split-interest trusts, bequests, etc.)?

A. Not applicable for the college. The strategic plan for the college is available on the colleges website and it clearly expresses the priorities in the current strategic plan.

Q. We are an OCIO that manages client portfolios across multiple strategies. We do not trade individual securities and so do not use a dynamic trading platform. Is MassArt looking for a discretionary OCIO or a single strategy investment firm that trades securities?

A. We are not looking for a discretionary OCIO.

Q. If we do not have a service organization auditor's report, does that disqualify us?

A. A recent service organization auditor's report is a requirement of the bid.

Q. Please clarify what this question means (it implies that MassArt personnel wish to participate in the investment manager selection process)

Does your technology platform / custodian enable your clients to participate in the investment manager selection process? If so, please offer examples of how this process gets implemented.

A. The investment manager will be a key partner supporting the college's goal of raising resources available for strategic priorities. The college would like you to describe how you would select the investment manager to work with us.

Q. What is the size of the endowment?

A. Not applicable for the college.

Q. Question 6.1 (*Provide 1, 3 and 5-year return and risk expectations for the portfolio designed*) is asking for asset allocation and a portfolio. Is this part of the question asking for historical returns for a pro forma portfolio or expected returns?

A. It could be either - please clearly state your assumptions as to what the proposed portfolio represents.

Q. What are MassArt's current assets, and where are the assets sourced (e.g., operating account, endowment account, foundation account, etc.)?

Q. Does MassArt expect any deviation from the current 4% spending rate?

A. No

Q. Please confirm 2023/2024 State appropriations.

A. \$25,862,609

Q. Are there any significant inflows/outflows that are anticipated in the upcoming months/years? Any capital campaigns or expenditures worth noting?

A. Not at this time.

Q. Are there other asset/investment pools that the potential advisor should be aware of or manage around?

A. Not at this time.

Q. How much does the operating budget rely on the endowment?

A. Not applicable to the college.

Q. Does MassArt currently have exposure to illiquid investments (alternative assets)? Are there any liquidity requirements or provisions for the portfolio?

A. Not at this time.

Q. Has there been any specific consideration for socially responsible investing or intentional values-based investing? If yes, please elaborate.

A. The RFP asks for respondents to describe their approach.

Q. Are there liquidity and allocation constraints we should take into consideration when allocating to alternatives? Are there any cash flow needs?

A. Not at this time

Q. Is inflation an explicit risk we should seek to (partially) hedge using commodities or inflation-sensitive equities?

A. Not at this time

Q. Are there limits or concerns regarding portfolio characteristics, such as regional exposure or market capitalization?

A. Not at this time.

Q. Are there risk limits the committee would like to achieve (such as expected drawdown limit, tracking error targets, etc.)?

A. Not at this time. Please include your approach in your response.

Q. Is the committee open to performance fee as a component of select underlying strategies?

A. Not at this time.

Q. Is ESG an important consideration?

A. Each respondent should include a description of their approach to ESG's as part of a balanced portfolio.

Q. Are there either minimum or maximum numbers of allocations expected within the proposed portfolio?

A. Not at this time.