

Memorandum

To: United Way Board of Directors

From: Board Restricted Fund Committee

Date: April 7, 2017

Re: Board Restricted Fund (the "Fund")

The purpose of this memorandum is to update you on the work of the Board Restricted Fund Committee (the "Committee") which has been formed to manage the investment of the proceeds from the sale of 1 Lafayette Court. The Committee had its initial kick off meeting on March 9th at the United Way offices. All members of the Committee were present including Patrick Sullivan, Karen Keegan, David Rabin, Eileen Kim, Pamela Fornero, Jeffrey Evans and Anne Sherrerd. The follow is a summary of the Committee's discussion:

- Overview. The meeting started with introductions of each member of the Committee, relevant investment experience and a review of the organizational structure as set forth in rules of the Fund previously approved by the Board.
- Objectives for the Fund. The Committee agreed to prepare draft objectives for the Fund to be shared with prospective investment advisors. This statement will address general investment objectives, potential asset classes, risk and return objectives. Jeff and Patrick have subsequently prepared a draft and have shared it with the Committee for review and comment.
- Investment Advisors. The Committee members agreed to think about potential investment advisors to assist us in the management of the Fund. The plan would be to create a list of approximately 10 or so prospective firms and then submit a formal RFP to a subset of this group. Based on the responses received, the Committee would identify a group of finalists to interview. Preference to be given to best in class firms with (i) experience and track record managing portfolios for like organizations; (ii) a focus on managing similarly sized portfolios; (iii) low fees; and (iv) strong track record. The committee expressed an interest in strategies such as index funds and ETFs which have lower fees, and have outperformed actively managed portfolios. The Committee also wished to investigate quantitatively driven funds. The Committee agreed to focus on independent investment advisors and not broker dealers. We will interview Fieldpoint Private, the incumbent manager, as part of this process. Committee members agreed to research potential firms and submit names to Patrick Sullivan no later than March 24. After the meeting, the Committee prepared a list of 16 firms with a general firm description, and firm web site for the Committee members to review. The Committee plans to meet in April to review the list and determine a list of firms to send an RFP.
- Recommendations from local non-for-profits. The Committee decided to reach out to local Greenwich non-for profit organizations with endowments, and determine how they manage their portfolios, and identify investment managers they use. We also decided to speak with our accountants at O'Connor Davies to see if they have ideas. David will speak with the Executive

Directors of local charities to see how they manage their endowments. Pam will contact O'Connor Davies.

- Request for Proposal. After we gather initial feedback, prepare a RFP to be delivered to selected firms. Patrick agreed to draft a RFP for the Committee's review.
- Bank Account. The Greenwich United Way will open a new bank account with Webster Bank in the name of the Fund. The proceeds of the building sale will be deposited in this account pending selection of an investment advisor and the investment of the funds. The signatories on the new bank account will be the same as the signatories on current Greenwich United Way bank accounts. We will see if we can negotiate a favorable rate for the period the funds are held in the bank account. David and Eileen will open bank account. David to discuss with Webster the best available short term rate we can achieve on the funds to be deposited in the account.
- Timing. We seek to complete the process of identifying an investment manager within 60 days or so. If the sale closes as planned on April 25th, we would like to have the building sales proceeds invested as soon as practicable thereafter. The plan is to spend the next 2-3 weeks identifying firms, request RFPs from selected firms, and interview firms in April and May, with the objective of selecting a manager and investing the funds in late May.
- Next Meeting. We agreed to conduct the next phase of our work by email and teleconference. Our next in person meeting would likely be to interview prospective investment advisors in April.

Submitted by:

Patrick J. Sullivan