

REQUEST FOR PROPOSALS

U. S. Endowment for Forestry and Communities, Inc.

www.usendowment.org

PURPOSE: Conduct a planned, independent, third-party review of performance of the Endowment's fund manager, Commonfund.

DATES: RFP released August 1, 2011. Proposals due August 31, 2011 (8:00 p.m. EDST).

RESPOND TO: Kimberly Morgan, Director of Finance, U.S. Endowment for Forestry & Communities, 908 E. North Street, Greenville, SC 29650-3104; (864) 233-7646; kim@usendowment.org

I. Background

The U.S. Endowment for Forestry & Communities, Inc. (Endowment) is a not-for-profit public charity established in September, 2006, at the request of the governments of the United States and Canada in accordance with the terms of the Softwood Lumber Agreement (SLA) between the two countries. The Endowment, one of three entities designated to share in a one-time infusion of funds to support "meritorious initiatives" in the U.S., received \$200 million to establish a perpetual endowment under the terms of the SLA. The Endowment's thirteen-member Board, which includes individuals with backgrounds in conservation, industry, forest management, forestry investment, community development, and academia, serves as its Investment Committee. When the SLA funds were received, in May 2007, the Endowment's Board of Directors elected to employ Commonfund Strategic Solutions® (Strategic Solutions), a group within the Connecticut-based Commonfund Asset Management Company (www.commonfund.org). Strategic Solutions is a portfolio management service, acting in an advisory capacity to assist with policy review and counsel, investment management, monitoring and reporting, and rebalancing.

II. Objective

The Endowment is seeking to commission an independent third-party review of Strategic Solutions' performance as a part of normal fulfillment of the Board's responsibility for fiduciary care and due diligence. This review, of the period May 1, 2007-December 31, 2011, should include:

- A comparison of the performance of the Endowment's investment portfolio to the policy benchmarks established by the Board;
- An assessment of the appropriateness of those benchmarks;
- An assessment of the asset allocation set forth in the Endowment's current Investment Policy, as well as a comparison of the Endowment's asset allocations to those of comparable (perpetual endowments of similar size) funds. This part of the review should address the asset allocation in general, as well as the following specific issues:
 - A comparison of the Endowment's investments in hedge and alternative funds to those of comparable funds;
 - A comparison of the Endowment's level of investment in commercial real estate in 2007 to that of comparable funds;

- Determine the effect of Board-established restrictions on investments in natural resources on performance of the Endowment's portfolio;
- Evaluation of Commonfund's fee structures in comparison to the broader community;
- Evaluation of the types, levels, and quality of service provided by Commonfund; and
- Recommendations to the Board of questions that it should be asking of its portfolio manager, and of itself in reviewing investment policy and fulfilling fiduciary responsibilities

III. Proposed Timeline

Proposals, including price quotes, should be submitted by August 31, 2011. Proposals will be reviewed as they are received, with the Board approving a vendor at its October 2011 meeting. The review shall be completed and ready for presentation to the Endowment's Board of Directors at its spring 2012 meeting (likely late April/early May 2012).

The Endowment is interested in an independent review of the performance of its current investment manager and as such, we will not entertain proposals from firms seeking to market investment products or services.