

Addendum No. 1

Shawnee State University

January 20, 2012

Please note the following clarifications to RFP #06-01-12.

Question 1: *The Introduction on page 4 shows the RFP was issued by both the University and the Foundation's respective Investment Committees. Is it possible that there will be a split award between the University and the Foundation? Or are the assets bundled for this RFP process?*

Answer: It has not, yet, been determined whether assets will be bundled. A split award is possible.

Question 2: *Explain the breakout of assets between the Foundation and the University.*

Answer: Assets are split roughly even between the Foundation and the University.

Question 3: *Page 9 discusses consulting services and first party investment services. Does the committee have a preference for the specific type of services they wish to employ? Do you currently use a consultant and if so who and for what services?*

Answer: The University and the Foundation do not currently use a consultant, nor do they have a preference for the specific type of services they wish to employ.

Question 4: *In reviewing financial statements it appears both the University and the Foundation invest in equities. What is the current investment process comprised of (Consultant, Investment Managers, Internal Management, etc.)*

Answer: The University's Investment Committee has oversight of its external investment managers. The Foundation's Investment Committee has oversight of the Foundation's external investment managers.

Question 5: *What was the impetus behind issuing the RFP (procurement policy requirement, dissatisfied with existing consultant, etc.)?*

Answer: Investment Committee consensus.

Question 6: *What does the committee hope to achieve through the RFP process (lower fees, higher return, less risk, etc.)?*

Answer: Bidders should refer to Statement of Work (Section IV, page 7)

Question 7: *Attachment A discusses preference for "Buy Ohio," "Buy American," "Minority Business Enterprise," and "EDGE." Have the committees decided how much weighting will be placed on these preferences?*

Answer: Weighting has not been determined.

Question 8: *In Exhibit 1, the Investment Policy (7.0) – requires the funds to be managed by two investment managers and only allows for mutual funds. Are the Investment Committees open to recommendations to change the existing Investment policy?*

Answer: The Investment Committees are open to recommendations regarding existing investment policies.

Question 9: *Will the University continue to use a maximum of two external managers for investments? Are you able to shed light on probable investment mandate sizes?*

Answer: The number of external investment managers and the probable investment mandate size are to be determined.

Question 10: *In Exhibit 1, the Investment Policy (18.1.1) discusses the annual endowment payout. Can you provide an historical perspective on what the payout has been in the past?*

Answer: This information is not available.

Question 11: *In Exhibit 1, the Investment Policy (18.2.1) discusses the long-term objective of achieving a return that meets or exceeds the spending rate plus long-term inflation plus investment and administrative expenses. Given the flat investment environment over the past +3 years, has the committee altered this objective?*

Answer: Exhibit 1 represents the current Investment Policy (18.2.1).

Question 12: *In light of Attachment C, is there a preference on behalf of the University to pay for services with credit cards?*

Answer: See question 13, below.

Question 13: *Can you provide clarification regarding the purpose of Attachment C, “Credit Card Acceptance Form,” with regard to the request for proposal?*

Answer: Attachment C is a standard form included with all RFPs issued by Shawnee State University and is used to determine whether firms accept payment via credit card. Bidders are expected to complete the form.

Question 14: *Please define “first-party” investment management services as discussed under “Consulting Activities,” “Investment Manager Search” (B-1, page 9) of the RFP?*

Answer: “First-party investment management services” refers to services provided by those who act as fiduciary with direct strategic decision-making and buy-sell trading authority.

Question 15: *Your investment guidelines list that assets should be held in fund vehicles, yet your financial statements list mutual fund investments and a common stock breakout (Note 3: Fair Value of Financial Instruments, page 9). Can you explain?*

Answer: Bidders should consider information contained in the RFP and the addendum only.

Question 16: *It appears the approximate value of the assets is \$14.6 million, with publically traded securities of \$10.6mm. What amount are you proposing that our investment services cover? Can you describe the remaining \$4mm in assets, and are any services needed with regard to those assets?*

Answer: Investment services may be needed for all assets in the portfolio, or some to-be-determined fraction thereof.

Question 17: *Are you accepting proposals for an overall asset manager, or separate managers for various asset classes?*

Answer: Both types of proposals will be accepted.

Question 18: *Can you provide further clarification as to the type of publicly traded assets?*

Answer: Publicly traded assets include equities and fixed income.

Question 19: *Are there any special circumstances to consider (concentrated positions, restricted assets, etc.)?*

Answer: Bidders should consider information presented in the RFP and in this addendum only.

Question 20: *What is the fund's distribution policy? What are the average fund outflows?*

Answer: The distribution policy and the average fund outflows vary by year, pool, fund, and class.

End of Addendum