

Request for Statement of Interest and Qualifications: Public Canadian Equities Manager

March 2020

About Inspirit Foundation

Inspirit Foundation is a public foundation based in Toronto, Ontario. We promote inclusion and pluralism through media and arts, support for young change leaders, and impact investing—specifically addressing discrimination based on ethnicity, race, or religion.

At Inspirit we are committed to a 100% impact portfolio, with the goal of leveraging our full asset base for financial returns and positive social and environmental impact. For many, impact investing is a financial tool with social considerations. For us, it is a commitment to a 100% impact portfolio where every investment is activated for positive impact, an imperative to creating the systemic change needed to realize our mission of a more inclusive and pluralist society.

In May 2017, Inspirit updated our [Investment Policy Statement](#) (IPS) to include our commitment to a 100% impact portfolio. Now we are requesting proposals for a Canadian equities manager that can satisfy the goals outlined in our IPS, in particular goals around risk-adjusted financial performance, movement toward a low carbon portfolio, and portfolio alignment with Inspirit's organizational mission of a more inclusive and pluralist society. Our asset base is valued around \$36 million, with up to a 20% target allocation to the Canadian equities asset class.

Here are a few key dates to keep in mind:

- **We ask that all proposals be submitted by March 27th, 2020.**
- The deadline for questions is March 6th, 2020.
- Please signal your intent to respond to this Request for Statement of Interest and Qualifications by March 13th, 2020.

We will only be considering firms that are headquartered or have substantial operations in Canada. We will consider both active and passive strategies. Your primary points of contact during this process will be:

Jory Cohen
Director of Social Finance and Investment
Inspirit Foundation
jcohen@inspiritfoundation.org
416-644-3600 x3

Ryan Kuruliak
Senior Vice President
Proteus
rkuruliak@proteusperformance.com
416-421-3557 x216

Please send all signals of intent, questions, and proposals to Jory Cohen at jcohen@inspiritfoundation.org and Ryan Kuruliak at rkuruliak@proteusperformance.com.

Firm Overview

We want to get to know you a little better:

- Describe your firm, including a brief history, ownership structure, growth of assets under management, historical performance, and anything you think is important for us to know.
- Disclose and explain any litigation or legal proceedings the firm and the core team associated with the proposed solution has been subjected to over the past 10 years.
- Describe the firm's commitment to social equity. Tell us in which ways the firm lives out its commitment (think any relevant company policies related to diversity, inclusion, or equity; UN PRI signatory; code of ethics; ownership structure; leadership team; compensation structure; etc.).
- Tell us about the firm's experience in impact investing.
- Describe the firm's shareholder engagement strategy. Provide an example of a sample engagement.

Product Overview

We want to hear about the proposed Canadian equities solution:

- Describe the firm's investment philosophy for the proposed solution.
- Are you proposing a pooled, mutual or exchange traded fund, or separately managed portfolio for Inspirit?
- If separately managed, please confirm the firm's ability to work with our custodian – CIBC Mellon. Please also note if there is another custodian your firm would normally work with when building similar custom mandates.
- Tell us the amount of assets under management for the proposed solution.
- Describe the firm's security selection process and key factors for the proposed solution, including an explanation on risk management and how the proposed solution generates alpha.
- Describe the sector exposure of the proposed solution (based on GICs sectors as of Dec 31/19).
- How will your firm manage sector exposure risk and single issuer exposure risk?
- For your strategy, what would be the expected allocation to large, mid, and small caps?
- Describe the reporting process and frequency for the proposed solution, including impact reporting. Provide a sample report.
- Describe the proposed solution's liquidity features.
- Describe the firm's fee schedule for the proposed solution. Do you offer a discount or donation given our charitable status?
- Let us know if there is a minimum investment size or fee that would apply to the proposed solution.

Alignment with Inspirite's IPS

We want to understand how the firm and the proposed solution can satisfy the goals we outlined in our IPS. Below is an excerpt from our IPS that highlights how we evaluate the success of our investments:

Inspirite's investment decisions are guided by three principles. Every investment, in relation to the portfolio as a whole, is evaluated based on these investment principles:

1. *Risk-adjusted financial performance*
 - *Indicators: net returns vs benchmark, information ratio, up market capture ratio, down market capture ratio*
2. *Movement toward a low carbon portfolio*
 - *Indicators: weighted carbon intensity, weighted average carbon intensity*
3. *Alignment with Inspirite's organizational mission*
 - *Indicators: Environmental/Social/Governance performance, revenue exposure to the outcomes of the United Nation's Sustainable Development Goals*

Describe how your proposed solution will lead to success based on those investment principles. In addition to your provided responses, Inspirite would like to do some analysis of our own. In order to do that, we are requesting a list of holdings as at December 31 each year from 2015 to 2019 (inclusive). The list of holdings should be in Excel format and should include associated security identifiers in the form of CUSIP or ISIN and the weight of securities within the overall proposed solution.

Please also provide monthly performance since inception of the proposed solution in Excel format until December 31, 2019.

Client references

We want to hear how great you are. Please provide the name and contact information of two other foundation clients. We will not contact your references without first notifying you.

Feedback

Is there anything we did not ask that you think is important? Please provide feedback on this Request for Statement of Interest and Qualifications and suggest areas for improvement.

Confidentiality

All received information will be kept confidential by Inspirite and Proteus.