

John Ellerman Foundation

Investment consultant(s) Request for Proposals June 2025

Registered Charity Number 263207

www.ellerman.org.uk

Introduction

John Ellerman Foundation is an independent and medium-sized endowed grantmaking charity, set up in 1971. The Foundation is currently run by a team of seven full time staff and seven Trustees. Our aim is to advance the wellbeing of people, society and the natural world.

Our endowment is valued at circa £150m and we distribute around £5m in grants annually. We recognise that our aim should apply across all that we do by taking a 'total impact' approach to our grantmaking, operations and investing. Responsibility for the overall management of the investments has been delegated by the Trustee Board to its Finance and Investments Sub-Committee.

We are currently requesting proposals from suitably qualified investment consultant(s) to advise us on investing our endowment responsibly, in line with our [updated Investment Policy](#).

Since 2020, we have developed our thinking on investment so that we now take account of non-financial outcomes alongside financial returns. In 2024 we strengthened our policy on exclusions – in particular, to exclude primary market investment in fossil fuels – and in 2025 we further clarified our ambition to achieve a positive impact through our endowment, as well as approving [our first Social Investment Policy](#).

This evolving and more ambitious approach to our investing means that our investment advice needs evolve too. We are looking to work with an investment consultant who is equally ambitious about responsible investment, and can actively support us to progress our charitable aim through the way our endowment is invested. For the first time, we are also seeking a consultant who can support us with planning and building a portfolio of social investments.

We are open to appointing one investment consultant to advise on both our financial investment portfolio and our social investment portfolio; or two investment consultants, one to advise on our financial investment portfolio and one to advise on our social investment portfolio. The following sections provide more details of our requirements for both roles.

If you are able to provide high quality investment advice and feel that your values and ambitions align with ours, we would be delighted to receive a proposal from you. Details of how to submit a proposal are included at the end of this document.

Our history, values and strategy

John Ellerman Foundation was set up in 1971 by John Reeves Ellerman, 2nd Baronet. In order to better understand the Foundation's history, we published *John Ellerman Foundation: A Historical Review* in May 2023. The Review found that the businesses from which our wealth is derived consisted principally of shipping, brewing, coal mining, rice milling, real estate, and the proprietorship of newspaper and publication interests. The Review notes that the business interests 'were undoubtedly involved in activities which their modern equivalents would reject'. We fully acknowledge that the origins of our endowment have links to some practices that resulted in harms and struggles both then and now. It is our intent and belief that our present-day practices seek to redress these wrongs as far as possible.

Our five organisational values reflect how we work. We seek to be a **responsive** funder, listening and responding to what applicants and our wider stakeholder network judge is important. We have well-developed and regularly reviewed funding guidelines, enabling us to be **discerning** in our decisions about whom and what to support. This value also extends to the way in which we approach collaborative funding opportunities and make investment decisions relating to our endowment. We value all our stakeholder relationships, including

with organisations we fund and those applying to us, and seek to have a **personal touch**. We prefer to be **connected** and are in regular contact with relevant colleagues and partners. Finally, we are willing to be **flexible** and may venture outside our funding criteria or our usual ways of working, if we believe a different approach would be more effective.

We have recently come to the end of a three-year strategy for 2022-25: *Advancing wellbeing with 100% of our assets*. You can find a [summary of what we achieved in this period on our website](#), including key achievements relating to our Investment Policy. [Our new strategy for 2025-30 has recently been published and is also available to read on our website](#). It reflects and builds upon the developments we have already made in our Investment Policy and Social Investment Policy, which will remain unchanged until their next annual review in February 2026.

Our Investment Policy

[Our Investment Policy is available to read in full on our website](#). It outlines how we aim to achieve our charitable aim through the way our endowment is invested, by:

- Investing and managing our funds responsibly, using our influence as an asset owner to promote corporate activity which furthers our aim and challenge corporate behaviour that is poorly aligned to our aim and values, whilst also generating financial returns to sustain our grantmaking activities; and
- Making social investments that generate financial returns as well as social and/or environmental impact in line with our organisational aim (please see the following section for more detail of our separate Social Investment Policy).

Our endowment is currently invested in products provided by six fund managers, as set out below. Some of these managers are specialists in particular asset classes and some are multi-asset managers, responsible for their own asset allocation decisions within an overarching strategy set by our Finance and Investment Committee:

- CCLA – multi-asset mandate
- Charities Property Fund – property mandate
- Fulcrum – alternative assets mandate
- GMO – equity only mandate
- Newton Investment Management – equity only mandate
- Ruffer – multi-asset mandate

We have long-standing relationships with all of these fund managers and meet with them at least twice a year to discuss their performance on financial and non-financial outcomes.

We expect our fund managers to take a stewardship approach to the portfolio of companies that they are invested in. This includes engagement to promote socially and environmentally responsible business practices, voting at shareholder meetings, the promotion/support of relevant motions, and seeking to drive change through systemic guardrails which protect society and the environment, not just on a company-by-company basis but on a sectoral or thematic basis.

We exclude investments in companies where there is no prospect of meaningful engagement or successfully influencing changes in their practices to align with our charitable aim. For this reason, investment in tobacco, thermal coal and tar sands companies is excluded across all holdings, including indirect investment like holdings in pooled funds. We also do not permit the investment of primary market capital into fossil fuel production and infrastructure, i.e. the purchase of new securities. We feel that providing new investment into these activities is fundamentally misaligned with our organisational aim to advance wellbeing for people, society and the natural world, and is misaligned with the aims of the Paris

Agreement, which seeks to keep temperature rises well below 2°C above pre-industrial levels.

We are active members of the [Charities Responsible Investment Network, hosted by ShareAction](#). We believe in working collaboratively through such networks, as well as alongside other institutions with similar objectives to achieve a louder voice and greater influence.

We are ambitious about using our wealth and influence as an asset owner to further our charitable aim. As such, we welcome our investment consultant to provide well-informed challenge as well as support, to help us use our endowment for impact in the most effective way possible.

Our Social Investment Policy

Alongside responsible financial investment, social investing is another tool available that will enable us to further our ambition of using our endowment to achieve a positive impact. We have been interested in social investment for some time, and recently approved our new Social Investment Policy in order to provide a framework and governance process to support our ambitions. [Our Social Investment Policy is available to read in full on our website.](#)

Our aim in developing a social investment portfolio is to achieve greater impact with our funds than could have been achieved had we invested for financial returns and given this money out as grants. This means that we will take into account both the financial returns and the non-financial impact of each social investment opportunity, and consider whether these outweigh the value of grants foregone by not investing primarily for financial return.

In line with the Charity Commission's CC14 guidance, we define social investment as "investing with a view to both achieving your charity's purposes directly through the investment and making a financial return." We also find the Impact Investing Institute's definition of impact investments helpful: "Impact investments are investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return." Whilst the terms 'social investing' and 'impact investing' are often used interchangeably, we prefer to use the term 'social investing' in order to align with the Charity Commission's CC14 guidance.

We intend to work towards investing approximately 10% of our endowment (currently equivalent to c.£15m) in social investments over the coming years. We wish to appoint a specialist investment consultant to advise us on developing a structured portfolio of investments in social impact funds forming approximately 75% of this total. We will invest the remaining 25% ourselves, in a combination of direct investments into charities, social enterprises and limited companies, and social impact funds that are too small, without sufficient track record, and/or too specialist to fall within our consultant's remit. We would like both parts of our social investment portfolio to align in their overall aim and the way their performance is monitored, even if investments are sourced and managed differently.

We are active members of the [Social Impact Investors Group, hosted by the Association of Charitable Foundations](#), as well as being active in other networks relating to social investment. However, we also recognise that we are new to social investment and still building our expertise and approach. As such, we welcome our social investment consultant to help us develop our ambitions and build a portfolio and approach that will enable us to further our charitable aim through social investing in the most effective way possible.

What we are looking for: our investment advice needs

We are looking to appoint one or two investment consultant(s) to advise on one or both of:

- our financial investment portfolio, which is predominantly invested in public equities at present;
- our new social investment portfolio.

We are open to appointing one consultant with expertise in both areas, or one consultant for each portfolio. As such, you are welcome to submit a proposal covering one or both roles. The consultant responsible for the financial investment portfolio will also be expected to produce strategy, policy and financial reports at a total endowment level, i.e. to aggregate the financial and social investment portfolios.

PART A: Financial Investment Portfolio and Total Endowment reporting

We are looking for a suitably experienced consultant to provide advice and reporting on our total endowment (i.e. incorporating both our financial investment portfolio and our social investment portfolio), as well as advice on investing our financial investment portfolio.

At a total endowment level, we expect this role to include:

- Using your expertise to actively challenge and work with us to drive forward our responsible investment ambitions, supporting us to be as effective as possible in the way that we responsibly invest our endowment and use our influence as an asset owner to further our charitable aim.
- Advising us in the development and maintenance of an appropriate investment strategy, and inputting to the continuing development of our investment policies and practices.
- Advising us on the most efficient way to implement our investment strategy in order to achieve our objectives with least risk, including strategic and tactical asset allocation, and fund management arrangements.
- Modelling of long-term financial scenarios to illustrate the impact of different economic conditions, financial returns, market volatility, Foundation spending rates, etc.
- Quarterly reporting on the total endowment value, holdings, geographic and currency exposures, asset allocation, manager accounts, performance and risk.
- Analysing the endowment and reporting on total exposures to factors relevant to the Foundation's Investment Policy, including but not exclusive to:
 - tobacco
 - fossil fuels
 - predatory lending
 - carbon intensity
 - UN Sustainable Development Goals and other ESG factors.
- Providing data and analysis of longer-term investment performance.
- Reporting to the Foundation on general economic and market conditions and forecasts, and on investment industry developments.
- Attending, in person where possible, our quarterly Finance and Investment Committee meetings to present these reports and advise our Trustees on any other investment related topics as required.
- Providing additional ad hoc research and advice on topics relating to the investment of our endowment, as required.

We also expect this role to include the following advice on our financial investment portfolio:

- Advising on the most appropriate investment managers/products to implement our Investment Policy and strategy, including if required, proposals to appoint or terminate individual fund managers/products.
- Researching and conducting due diligence (including operational due diligence) on fund managers/products that may be of interest to the Foundation.
- Providing a quarterly report that summarises fund managers' holdings, activity and performance (financial and responsible investment related), including information relating to:

- benchmark and peer performance
- attribution of return
- breaches of mandate
- breaches of our policy on exclusions
- updates on responsible investment related matters
- risk
- issues arising at fund manager/product level e.g. changes of ownership/key personnel, etc.
- Supporting us to implement our Investment Policy through ongoing engagement with our fund managers to ensure compliance with our Investment Policy, including our policy on exclusions.

In your response please be clear on the full scope of services that your firm can provide, including any ability to provide bespoke services for a client of our size.

PART B: Social Investment Portfolio

We are looking for a suitably qualified and experienced social investment consultant to advise us on developing and building our new social investment portfolio, specifically to advise on the selection of appropriate funds expected to make up 75% of this portfolio (with the remainder selected in-house).

We expect this role to include:

- Supporting us to develop an overarching strategy for our social investment portfolio, in line with our aims as set out in our Social Investment Policy.
- Working with us to develop a framework to assess and monitor social investments, encompassing both social and/or environmental impact and financial returns.
- Sourcing suitable opportunities and conducting fund research.
- Completing due diligence and providing investment advice on opportunities that are taken forward for consideration.
- Providing us with a quarterly report of the holdings, activities and performance of social investments (financial and social/environmental), including specific data/information as laid out in the framework we design together. We expect this to include reporting on any breaches of our Investment Policy by the invested funds, and alerting us to any issues arising at fund manager/product level e.g. changes of ownership/key personnel, etc.
- Attendance, in person as required, at our quarterly Finance and Investment Committee meetings to present this report and advise our Trustees on any other social investment related topics as required.
- Providing performance data to the consultant responsible for producing total endowment level performance and analysis (see Part A).
- Providing additional ad hoc research and advice on topics relating to social investment, as required.

How to submit a proposal

We are open to receiving proposals for Part A, or Part B, or both Parts A and B. Please make it clear in your proposal which part(s) you are interested in. We are open to receiving proposals from suitably qualified firms, partnerships, and/or individual(s).

If you wish to submit a proposal in collaboration with another person or organisation, you may submit a joint proposal or you may submit separate proposals for each part; if the latter, please make sure it is clear whether you would consider being appointed alongside a different person or organisation, if required.

Please ensure that your proposal addresses the following:

- Details of your organisation, including the name of contracting entity and its legal status, ownership, regulatory authorisations, and latest report and accounts.
- Your expertise across different asset classes, active vs. passive management, and/or public vs. private markets (as relevant).
- Your track record and experience of working with organisations similar to the Foundation.
- Your motivations for becoming our investment consultant, and your assessment of how well your goals and approach align with ours.
- Your initial comments on our Investment and/or Social Investment Policies and our current investment arrangements, and how they could be improved.
- An outline of the approach you would take to our portfolios/endowment including how you will meet or (if possible) exceed our requirements under:
 - Part A, and/or
 - Part B
- Estimate of annual fees (including any assumptions these are based on).
- Key team member(s) and biographies, including your proposed level of resourcing to meet our requirements.
- Two references.
- Contact details.

We are not applying a strict page limit, because we expect some proposals will cover both parts A and B, and others will cover only one part. However, we would appreciate proposals that are as concise as possible and ideally no longer than 12 sides of A4, including appendices. You may include links to content elsewhere (e.g. on your website) if you think this would be helpful, but please provide a short description of what the content covers as we cannot guarantee to be able to read every link.

Key dates

If you have any questions about this Request for Proposals, please send them via email to Alice Thornton, our Head of Research and Impact, at alice@ellerman.org.uk by **Friday 1st August 2025**.

Please submit your proposal, preferably in PDF format, via email to Alice Thornton at alice@ellerman.org.uk by **Friday 8th August 2025**.

Shortlisted proposals will be notified that they have been invited to interview w/c 26th August 2025. Interviews will take place on **Monday 1st or Tuesday 2nd September 2025**, in person if possible, at our office: Aria House, 23 Craven Street, London WC2N 5NS.

The successful candidate(s) will be notified during **w/c 15th September 2025**.

Sharing information about this process publicly

In line with our commitment to transparency and accountability, we intend to share our learning from this commissioning process including via public blog(s) and at events or in discussions with our peers.

We intend to share:

- General reflections on the overall number and quality of proposals received
- General reflections on the process and what we have learnt
- The names of shortlisted candidate(s) and the reasons for shortlisting (i.e. our assessment of the strengths of their proposals)
- The name(s) of the successful candidate(s) and the reasons for being appointed

We will not share publicly:

- The full list of proposals received – we will only consider sharing the names of shortlisted candidate(s)
- Details of individual proposals – we will only share general reflections on the proposals received
- Our assessment of the strengths or weaknesses of proposals that are not shortlisted – we will only share our assessment of the strengths of the proposals that are shortlisted
- Details of fees provided in individual proposals – we will only share general reflections on fees (for example, whether there was a wide or narrow range across proposals as a whole)

In submitting a proposal, you agree to us sharing information in this way. If you have any further questions about how we will use or share the information you provide in your proposal, please contact Alice Thornton via email at alice@ellerman.org.uk.