Response to Request for Proposal:

Saddleback College Foundation

Investment Manager Search
PROPOSAL REQUIREMENTS

1. Name and address, including e-mail address and web site of Bidder.

2. Name and title of individual authorized to bind the Bidder and submit the proposal.

3. Name and e-mail address of the person that Saddleback College Foundation may contact during the proposal evaluation process.

4. Form of business - e.g. sole proprietorship, partnership, corporation, not-for Profit organization. If a non-California corporation, indicate state of incorporation.

5. Whether the business is owned or controlled by a parent corporation. If yes, provide the name and address of the parent corporation, nearest offices and managing office where the program staff assigned to this program will be located.
1 Company Information (5%)

1.1 Number of Clients
1.2 Type of clientele (e.g. taxable individual, institutional, tax-exempt)
1.3 Number of staff
1.4 Number of clients per investment consultant
1.5 Assets under management
1.6 Number of offices
1.7 Location of corporate headquarters
1.8 Related organizations
1.9 Discussion of any past or present litigation, regulatory or administrative actions against your firm
1.10 Length of time in existence? Any material changes to manager’s organization and/or personnel in the past 3 years?

2 The qualifications of your firm and its ability to provide investment management services. (25%)

2.1 Qualifications of principals and professional staff (Please specify those individuals who will be directly responsible for this account.)
2.2 Number of years of experience in investment management
2.3 Discussion of investment philosophy
2.4 Discussion of your customer service philosophy
2.5 Discuss the ability to change investment managers in the portfolio
2.6 Include a list of your not-for-profit clients that have opened in the last five years.
2.7 Include at least three specific references that we may contact for which you have documented experience in providing similar services for at least five years. Clients most similar to the Saddleback College Foundation in type and size of business and similar services requested are recommended.

2.8 Are you currently registered with the SEC and do you have any pending actions against you or for cause investigations?

2.9 When was your last SEC inspection? Any material findings?

3 Reporting, portfolio evaluation and review of accounts (10%)

3.1 List the services you are offering in your proposal (investment management, investment consulting, asset allocation, manager due diligence, etc.).

3.2 Will you acknowledge your role as a fiduciary to the Saddleback College Foundation? List the activities you will engage in as a fiduciary. Who are the team members? Will there be training for the Foundation throughout the year? For whom (us or their employees)?

3.3 Frequency of account review by your firm and willingness to meet with the Saddleback College Foundation Finance and Investment Committee and staff to make recommendations and discuss performance of reporting to clients (e.g. monthly, quarterly).

3.4 State the frequency of reporting to clients (e.g. monthly, quarterly).

3.5 State the form of your reports (Please provide sample.).

3.6 State the frequency of portfolio evaluation.

3.7 Confirm compliance with CFA Institute reporting standards.

4 Recommended asset allocation (10%)

4.1 Recommended asset allocation and expected annual rate of return.

4.2 Include an analysis of the recommended asset allocation and a discussion of the risk/reward spectrum for your recommendation(s).
4.3 For the investments included in your recommended portfolio, please provide a current (as of [date]), one to three year annual returns compared to relevant indices (should be based on representative composite, hypothetical portfolios; need to clearly state assumptions and methodologies of construction).

4.4 Discussion of appropriate benchmarks.

4.5 Discuss how you would implement your strategy in a portfolio.

4.6 What is your expected rate of return for endowment and general investment accounts?

5 **Recommended changes to the investment policy (15%)**

5.1 List your recommended changes to the investment policy for both the general and the endowment funds.

5.2 State your rationale for your recommendations.

6 **Research and investment decisions (15%)**

6.1 Provide research methods and resources (external and internal).

6.2 Discussion of investment decision making process (committee, portfolio manager, external investment managers, etc).

7 **Fees (15%)**

7.1 Indicate all fees involved for each of the services you are proposing to provide.

7.2 Include a breakout of the initial and ongoing consulting fees and the custodial and management fees as a percentage of the dollar value of the assets.

7.3 Discuss the frequency in which such fees will be assessed.

7.4 For the hypothetical portfolio provided in Question 4.3, please provide an example of the fees charged on a quarterly basis.

8 **Insurance (5%)**

8.1 Provide a listing of applicable insurance coverage maintained with relevant coverage limits.
Provide the name of your primary insurance carrier and their related AM Best rating.