



SABINO
INVESTMENT MANAGEMENT, LLC

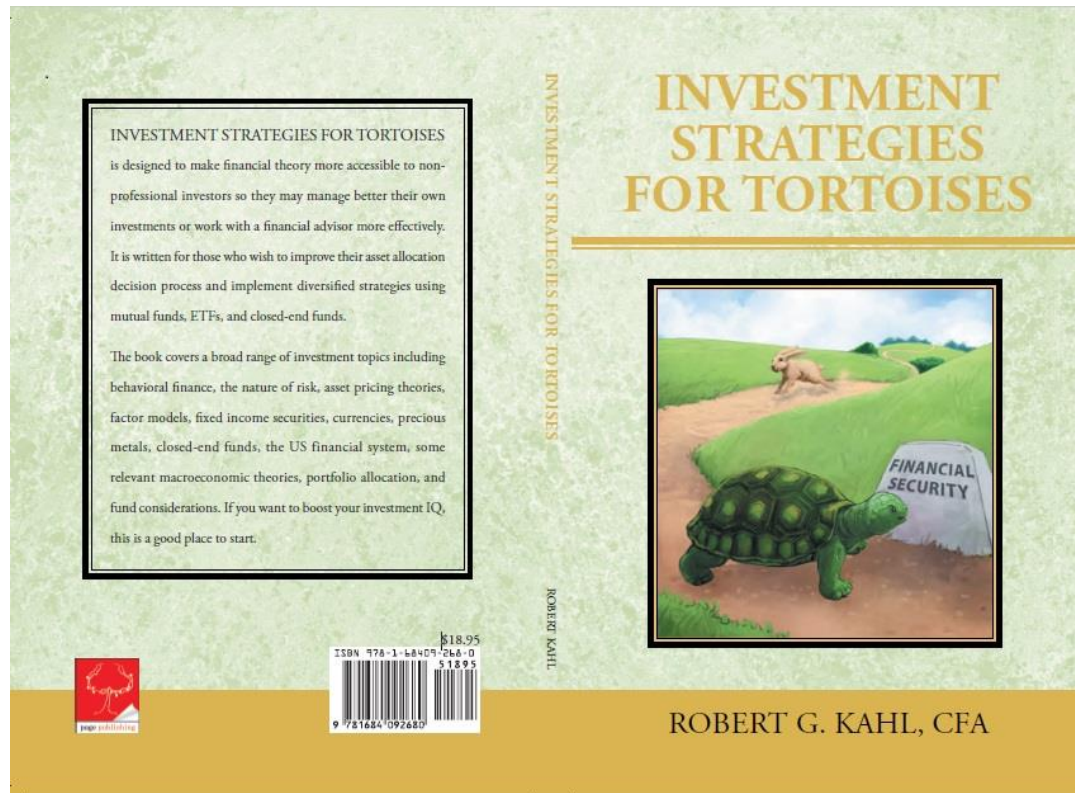
REQUESTS FOR PROPOSALS AND EVALUATION OF INVESTMENT MANAGERS

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MY BOOK IS AVAILABLE VIA:

- 1) BOOKSELLERS
- 2) AMAZON KINDLE E-VERSION
- 3) DISCOUNTED PRICES AVAILABLE FOR FINANCIAL LITERACY PROGRAMS.

MIN ORDER QUANTITY OF 100. WWW.SABINOIM.COM



RFP CONSIDERATIONS

Some things to consider before preparing a request for proposal:

- Expected cash flows in/out of investment account?
- Level of confidence in forecast? If confidence level is low, create a forecast anyway to provide a base case and communicate updates as you move forward.
- Will the account be managed by an advisor or the nonprofit organization?
- Minimum qualifications of the firm and advisors?
- Local firms only or national firms?
- Maximum expense ratio of investment funds + manager?
- Conflict of interest policy?

REQUESTS FOR PROPOSALS – WHAT TO INCLUDE

Some Suggestions:

- Short Description of the firm
- Bios of key people involved
- If there are any FINRA disclosure events, would they like to provide any additional explanations?
- If a registered investment advisor, provide a Form ADV.
- Provide a base case of asset class expectations to the advisors (example: Research Affiliates) and ask where they disagree and why.
- Provide a model portfolio for an appropriate level of risk.
- Morningstar ratings of any funds to be used. Historical returns if selecting individual securities.
- Provide a summary of portfolio characteristics.
- Disclose fees of both investment funds and advisors. What is the total expense ratio?
- Disclose any potential conflicts of interest – revenue-sharing agreements, etc.

HOW TO PUBLICIZE YOUR RFP?

Two Professional Investment Organizations:

- CFA Society Tucson - about 50 members, two-thirds are Chartered Financial Analysts.

www.CFASocietyTucson.org

- FPA (Financial Planning Association) of Southern Arizona – about 70 members, mostly Certified Financial Planners, some CPAs.

<http://chapters.onefpa.org/southernarizona/>

- CIMA – Certified Investment Management Analyst designation from the Investments and Wealth Institute does not have a local professional association.

WHO IS RESPONSIBLE FOR EVALUATING PROPOSALS?

A Process for Consideration:

- Investment or Finance Committee review written RFPs.
- Select finalists.
- Invite finalists to give a presentation to the Board of Directors and answer questions.
- Board votes to select the investment manager.

REVIEW OF INVESTMENT MANAGERS

- Who is responsible for preparing a report for the Board? The investment manager, CFO, Treasurer or the Investment Committee?
- How frequently - 3 months, 6 months, or annually?
- What information should be included?
- Relevant benchmarks should be provided.
- Explanations of any unexpected results relative to benchmarks should be provided.
- Future outlook?
- What will trigger a new RPF process?

SOME USEFUL WEBSITES (FREE):

- Broker Check by FINRA:
<https://brokercheck.finra.org/>
- Research Affiliates – see interactive tools:
<https://www.researchaffiliates.com/>
- MULTPL: www.multip.com
- Morningstar: www.Morningstar.com
- Portfolio Visualizer:
<https://www.portfoliovisualizer.com/>
 - Timing models – market valuation
 - Efficient frontier forecast