

Federal Employees Benevolent and Group Insurance Funds, Islamabad (FEB & GIF)



Expression of Interest (Eoi)
for Non-Discretionary Investment Portfolio Management
from Professional Investment Advisory Companies — 2019

FEB & GIF, Islamabad

Federal Employees Benevolent and Group Insurance Funds, Islamabad (FEB & GIF)

Expression of Interest (Eoi)

The FEB & GIF is a body corporate under the Federal Employees Benevolent Fund and Group Insurance Act 1969. It provides monthly Benevolent Grant, Group Insurance and seven other benefits under its welfare schemes. Sources of the Funds are contributions subscribed by the Federal Government employees and investment income. Investments of the Funds are regulated by the provisions of the Federal Employees Benevolent Fund and Group Insurance Act, 1969, the Rules 1972 and the investment parameters approved by the Board of Trustees, FEB & GIF/Finance Division.

2. Further to strategic management vision of FEB & GIF operation towards its core business activities, the FEB & GIF is currently considering appointment of an Investment Advisory Company (IAC) for analysis of investment strategies, policies and targets. Such investment oriented market research is aimed at maximizing the return on its investment with minimum risk exposure keeping within the prescribed investment parameters/TORs of the Investment Committee.

3. Expression of Interest (EOI) is invited for **Non-Discretionary Portfolio Management** from Professional Investment Management and Advisory Companies on the basis of the following terms, for which requisite evidence and details shall be provided along with the proposal:

1. The Investment Advisory Company shall have the requisite license from SECP/other regulatory body to provide Investment Advisory services.
2. Track record of more than 5 years in Managing Mutual Funds and/ Discretionary & Non-Discretionary Portfolios.
3. Have an in-house research team consisting of experienced and capable staff to conduct research on equities, debt securities, fixed income securities and real estate opportunities.
4. Latest Investment Advisory/Asset Management Quality Rating from SECP approved rating agencies shall be provided. The rating shall not be more than one year old.
5. The firm may outsource the services to be provided under this agreement at its own expenses, if it is not mandated for any specific service.

Terms of Reference (TORs)

4. The TORs for IAC are as follows:

- i. Initial evaluation of the investment portfolio with current investment

policies and strategies.

- ii. Periodic review, updates, and recommendations concerning the investment policy and strategy, as per requirements.
- iii. Specific recommendations and policy advice concerning the total investment goal, sector wise as well as overall benchmark indexes or other performance measurements for investments.
- iv. Quarterly evaluation of investment including comparison of the results with reference to benchmarks index(es).
- v. Specific case analysis referred by the FEB & GIF.
- vi. Routine generated monthly/Quarterly analysis/reviews on banks' performance, stock market, money market, government securities, monetary policies and other sectors.
- vii. Responsible to report any change/development in any entity or sector especially in the entity/instruments wherein the FEB & GIF has a stake.
- viii. Based on investment analysis advising the FEB & GIF on investment opportunities (both sides i.e., Buy or Sell) investment constraints and risk factor keeping within the applicable regulations either specified by the FEBF & GI Act, 1969, the Rules 1972 and investment parameters/TORs of the Investment Committee approved by the Board/Federal Government as the case may be.
- ix. Advise the FEB & GIF to hire the services of a corporate lawyer as and when required.
- x. Provide comments on Actuarial report of FEB & GI Funds.

Deliverables and reporting:

5. The following reports will be part of specific deliverables:-
 - i. Initial Investment Evaluation Report including sector wise as well as overall return of the portfolio with setting of a bench mark alongwith proposals/measures to achieve the targets.
 - ii. A monthly/quarterly research analysis report on investments held in investment portfolio alongwith sector wise as well as overall return of the portfolio.
 - iii. Annual evaluation/analysis report with a comparison of return with benchmark indexes and reasons of its major deviation, if any. Deviation analysis shall be both i.e. actual v/s market and actual v/s bench mark.
 - iv. Individual analysis report of each sector like banks, stock market, mutual

- funds, money market, government securities, Monetary Policy and real estate etc. on quarterly basis or as per announcements.
- v. The advisor will also provide a copy of working done in connection with evaluation of any instruments.
- vi. The IAC will provide the deliverables mentioned in (i) to (v) above and other report within the time period fixed by the FEB & GIF.
- vii. Keep the FEB & GIF updated with respect to status of shares or any other investment held (Sale/Purchase) if any, in its ownership.
- viii. Recommending investments avenues for investment of surplus funds etc.

6. Besides above following would also be ensured as deliverables:

- i. Attending meetings of the Investment Committee/Board of Trustees or any other forum meeting(s) on request of the FEB & GIF through designated senior officers like Chief Investment Officer/ Team lead as suggested for FEB & GIF etc. (The FEB & GIF shall bear the cost of attending these meetings upto two representatives inclusive of travel, boarding & lodging of appropriate level (Not exceeding the entitlement of officer BPS-20 in Federal Govt.) over & above the advisory fee).
- ii. One to two week Training/informative sessions for atleast two representatives of FEB & GIF to know & understand the research processes of the Advisory Company in any sector during the year. (Expenses on travel/lodging/boarding of FEB & GIF officials will be borne by the department itself)
- iii. The Advisor would also attend meetings at different forum on behalf of FEB & GIF on specific request.

Agreement Timeframes & Administration

7. The service of an investment advisory company would be retained for one year however in case of satisfactory performance extendable for a further period of one year otherwise to be advertised on an annual basis.

REQUIREMENTS FOR SUBMISSION OF PROPOSALS

8. Companies/Firms wishing to submit their offers as Investment Advisory Company will submit formal technical proposal consisting of the following information:

REQUIREMENTS FOR SUBMISSION OF PROPOSALS
Companies/Firms wishing to submit their offers as Investment Advisory Company will submit formal written technical proposal containing the following information. All pages of the documents should be <u>duly signed and stamped</u>. The complete set of Documents should be properly indexed.
Mandatory information: Failure to provide the mandatory information would render the bid non-responsive .

S. No.	Description		
1	<p>Mandatory information Following information to be provided on stamp paper worth Rs. 100 duly attested by the Oath Commissioner (in original).</p> <p>a) Certificate to the effect that the company has not been black listed in the past. In case the firm is blacklisted by any forum it would be declared non-responsive/ineligible.</p> <p>b) Certificate to the effect that there is no litigation with the clients.</p> <p>c) Certificate to the effect that there is no administrative or enforcement actions taken in the last three years against the firm, its Officers, Directors or employees concerning the service provided by the firm.</p> <p>d) Undertaking to the effect that the individual(s) suggested for the FEB & GIF portfolio would be assigned the job and they will be available to attend any query from FEB & GIF and suggested Team Lead would attend the meetings whenever required.</p> <p>Other Mandatory requirement:</p> <p>(i) Valid License as an Investment Advisory Company issued by the SECP or other regulatory body. (Attach copy)</p> <p>(ii) Credit rating report by the SECP approved credit rating agency (Not later than twelve months old). (Attach copy)</p>		
2	S. #	Description	Enclosure
Knowledge of the firm (Marks: 8)	1	Business Structure (individual entity/firm or Company with year of registration) (Marks: 3) <p style="text-align: center;">Marks</p> <p>a) For 5 year old firm 1</p> <p>b) 6 to 10 year old firm 2</p> <p>c) More than 10 years old firm 3</p>	Attach proof as Annex-A
	2	Is there any research office located in Islamabad or otherwise: Marks: 1 else Nil	Provide details as Annex-B
	3	Size and description of staff, including organizational chart. Marks: 1 else Marks: 0	Provide details as Annex-C.
	4	Last three years' financials of the Investment Advisory Company. (Copies of Balance Sheet and Profit & Loss statements only) Marks: 1 else Marks: 0	Annexes D, E & F
	5	A statement concerning the ability to render independent investment consulting services, including a list of any past, current, or proposed relationships which limit the firm's independence in any manner, which might present a conflict of interest. Also include a description of other lines of business, if any, of the firm or any companies or entities affiliated with the firm, including whether	

		the firm also acts as investment managers for some of its clients. How the Investment Advisory Company will manage "Conflict of Interest". (Marks: 2)	
Specific experience relevant to assignment (Marks 35)	6	A description of the firm's investment research with detail of areas of investment and analysis experience and capabilities. (Marks: 2)	Annex-G
	7	A copy of the firm's code of conduct or ethics. (Marks: 2)	Annex-H
	8	Size of portfolio, with main components, managed by the firm, during last 3 years excluding this office . Attach proof in the form of letters from the respective clients showing size of their portfolio (Marks: 10) The information provided shall be kept confidential and will be used for official purpose only. Size Upto Rs. 9 billion Rs. 9.1 billion to Rs. 15 billion Rs. 15.1 billion & above	Annex-I Marks 3 5 10
	9	Total assets of clients to which the firm is currently providing investment consulting services excluding this office (both discretionary and non-discretionary) including detail of services provided during last three years. Attach proof in the form of letters from the respective clients showing size of their portfolio (Marks: 9) The information provided shall be kept confidential and will be used for official purpose only. Size Upto Rs. 2 billion Rs. 2.1 billion to Rs. 8 billion Rs. 8.1 billion & above	Annex-J Size of investment and the nature of services provided shall be included in this annex. Marks 2 6 9
	10	List of clients with detail of contact person including telephone numbers, who may be contacted by the FEB & GIF concerning the firm's quality of services. Mandatory information, the bid of the firm not providing the information would be summarily rejected. (Marks: 10) The information provided shall be kept confidential and will be used for official purpose only. No. of Clients: Marks Public Sector ½ mark for each client information, Maximum 5 Private Sector ½ mark for each client information, Maximum 5	Annex-K
11	Description of services provided to client(s) for investment in government securities like PIBs/T. Bills/NSC schemes and govt. guaranteed bonds. (Marks: 2)	Annex-L	

Tech. staff competence (Marks: 20)	12	<p>Resume of technical staff (including professional qualification and background) as per format provided in Annex-Z. Qualification: (Maximum Marks: 5) No. of qualified CFAs: Marks More than 10 5 6 to 9 3 Experience (Research/Fund management): (Maximum Marks: 5) More than 10 years: 2 per person From 5 to 10 years: 1 per person</p> <p>(Tax deposit challan showing individual names of the employees is mandatory. The employee whose name is not appearing in the tax <u>deposit chalan</u> of the FBR, would not be considered while awarding marks).</p>	Annex-M
	13	<p>Resume (including professional qualification and background) of the individuals suggested for the FEB & GIF job on the prescribed format provided in Annex-Z will only be considered. (Marks: 10)</p> <p>Qualification: (Maximum Marks: 5) No. of qualified CFAs: Marks Two marks for each qualified CFA Maximum 5 For other holders of post graduation qualifications One mark each Maximum 3 Experience in Research & fund management: (Maximum Marks: 5) More than 10 years: 2 per person From 5 to 10 years: 1 per person</p> <p>Note 1: Tax deposit chalan showing individual names of the employees is mandatory. The employees whose name not appearing in the tax deposit chalan of the FBR, would not be considered while awarding marks.</p> <p>Note 2: The suggested Team shall in any case not be changed. In case any change in the suggested team is required, a person of same qualification/experience/credentials acceptable to FEB & GIF would be suggested in unavoidable circumstances.</p>	Annex-N
Technical approach and Methodology (Marks: 17)	14	<p>A summary of the firm's research and investment consulting methodology, approach, system, strategy, or style. Provide atleast three latest published report on the followings:</p> <p>a) Shares b) Mutual funds c) Money market (Government securities), d) Stock market, inflation & discount rate e) Real estate opportunities.</p>	Annex-O

	(Marks: 15, One mark per research report with maximum of 3 marks in each of the five categories depending upon the quality of reports)	
15	A summary of the firm's research and investment consulting methodology, approach, system, strategy including quality control procedures and support services suggested for this office. (Marks: 2)	Annex-P
Note: Documentary proof is to be enclosed wherever necessary.		

Financial proposals:

9. The financial proposal must contain a lump sum annual fee for the deliverables inclusive of all admissible taxes based on TORs payable monthly. The FEB & GIF shall bear the cost of attending these meetings upto two representatives inclusive of travel, boarding & lodging of appropriate level (Not exceeding the entitlement of officer BPS-20 in Federal Govt.) over & above the advisory fee.

Submission of Proposals

10. Interested companies/firms serving in the field of investment consultancy may submit proposals to the FEB & GIF. Technical proposals, in original with its four copies and one original financial proposal must be submitted separately in sealed envelopes. Following is the process:

Process:

- i) All the relevant details are to be given in the EoI with necessary proof.
- ii) Validity of the offers should be for a minimum of 120 days.
- iii) The fees/prices once finalized will remain unaltered during the contract period.
- iv) The successful bidder shall have to execute an agreement in line with the FEB & GIF purchase procedures.
- v) Technical & Financial proposals should be submitted in different sealed covers clearly subscribing "Technical Proposal" and "Financial Proposal" respectively. Further these two covers be enclosed in a sealed envelope and addressed to Deputy Managing Director (Investment) FEB & GIF, super scribing "Tender for appointment of Investment Advisory Company".
- vi) The EoI proposals should reach "Office of the Deputy Managing Director (Investment), FEB & GIF, on or before **20.11.2019 at 12.30 pm** on the address of BF building, Block A-I, Shakra-e-Suhrawardy, Zero Point

Islamabad. The technical proposal of the EoI received will be opened on the same day **at 1.00 pm** in the presence of parties who may be present.

- vii) Technical section of the proposal shall be assessed based on specific experience relevant to the assignment, technical staff competence, technical approach and methodology and effectiveness of presentations.
- viii) Date of opening of financial proposals shall be intimated to those bidders whose 'technical proposals' have been found successful as per criteria.
- ix) EOI/bid documents can be obtained from the office of the Assistant Director (Investment), FEB & GIF., Islamabad during office hours or can be downloaded from the website of this office i.e. www.febgif.gov.pk. The offers must accompany a pay order in favour of FEB & GIF, Islamabad worth Rs. 1,000/- (non-refundable). The offer received without the above crossed payment order would be rejected.

Arbitration

- a. All disputes are to be settled within the jurisdiction of the Courts, at Islamabad.
- b. That any dispute arising out of this contract shall be referred to the FEB & GIF, and if either of the parties hereto is dissatisfied with the decision, the dispute shall be referred to the decision of the arbitrator, who should be acceptable to both the parties, to be appointed by the Chairman, Board of Trustees. The decision of such arbitrator shall be final and binding on both the parties.

Selection criteria

11. Quality and cost method shall be used to select Advisor. Technical section of the proposals shall be assessed for the following items and shall be given a ranking as per following distribution of marks:

- | | |
|--|----------|
| i. Knowledge of the firm
(Sr. No. 2(1 to 5) of the table at para 8) | 8 marks |
| ii. Specific experience relevant to the assignment.
(Sr. No. 2(6 to 11) of the table at para 8) | 35 marks |
| iii. Technical staff competence.
(Sr. No. 2(12 to 13) of the table at para 8) | 20 marks |
| iv. Technical approach and methodology.
(Sr. No. 2(14 to 15) of the table at para 8) | 17 marks |
| v. Effectiveness of presentation | 20 marks |

12. For sub-criteria “Effectiveness of presentation” please note the following:

- a) Date & Time for the presentation would be intimated after evaluation of bids for rest of the criteria.
- b) Presentation will only be delivered by the individual suggested as team lead for this office in the technical proposal.
- c) A time of ten minutes will be provided for the presentation and five minutes for Q & A.
- d) Preferred topic for the presentation would be your firm experience in investing in different investment sectors and Overall economy of the country.

13. Minimum marks to qualify in the Technical evaluation will be 70%. Weightage of Technical and Financial proposals will be 80% and 20% respectively. The lowest financial bid will be the basis for calculation of the financial proposal. The bidder so having top ranking will be the winner. This criterion is illustrated as under:

S #	Firm	Technical Proposal Score [out of 100]	Weightage of Technical Proposal [score/100x80]	Financial bids submitted by the firms (Rs.)	Weightage of financial proposal [Lowest bid x 20 / offered bid price]	Overall Score (4+6)	
1	2	3	4	5	6	7	
1	A	75	60	720,000	19.44	79.44	The winner
2	B	70	56	700,000	20.00	76	
3	C	80	64	1,000,000	14.00	78	
4	D	49	Not qualified	Financial proposal shall be returned unopened			
5	E	78	62.4	950,000	14.74	77.14	

Note: The Firm “A” will be the highest ranked firm.



No. 1-2/INV/2019-20
**GOVERNMENT OF PAKISTAN
ESTABLISHMENT DIVISION
FEDERAL EMPLOYEES BENEVOLENT FUND
AND GROUP INSURANCE**

**Invitation of Expressions of Interest (Eoi) from Professional
Investment Advisory Companies**

Expressions of interest are hereby invited from professional Investment Advisory Companies on the following terms and conditions. Objectives of the consultancy are to have initial evaluation of existing portfolios with current policies and strategies with recommendations, quarterly evaluation of investment policies including comparison of the results with reference to benchmark index(es), specific case analysis referred by the client:

The Investment Advisory Company shall:

1. Have the requisite valid license from the SECP or other regulatory body to provide Investment Advisory services.
2. Have track record of above 5 years of managing Mutual Funds and/ Discretionary & Non-Discretionary Portfolios.
3. Have in-house research team consisting of adequately qualified/ experienced and capable staff to conduct research on different investment avenues like equities, debt securities and fixed income securities etc.
4. Latest Asset Management Quality Rating from the SECP approved rating agencies. The rating shall not be more than one year old.
5. Not blacklisted in the past by any forum.

Other Conditions

1. All the relevant details are to be given in the Eoi with necessary proof.
2. Validity of the offers should be for a minimum of 120 days.
3. The successful bidder shall have to execute an agreement in line with the FEB & GIF purchase procedures.
4. Technical & Financial proposals should be submitted in different sealed covers clearly subscribing "Technical Proposal" and "Financial Proposal" respectively. Further these two covers be enclosed in a sealed envelope and addressed to Deputy Managing Director (Investment), FEB & GIF, super scribing "Tender for appointment of Investment Advisory Company".

5. Technical section of the proposal shall be assessed based on Knowledge of the firm, specific experience relevant to the assignment, technical staff competence, technical approach & methodology and effectiveness of presentations.
6. Date of opening of financial proposals shall be intimated to those bidders whose 'technical proposals' have been found successful as per criteria.
7. EOI/bid documents can be obtained from the office of the Assistant Director (Investment), FEB & GIF., Islamabad during office hours or can be downloaded from the website of this office i.e. www.febgif.gov.pk. The offers must accompany a pay order in favour of FEB & GIF, Islamabad worth Rs. 1,000/- (non-refundable). The same shall be placed with Technical proposal. The offer received without the above crossed payment order would be rejected.
8. The Contract will be initially for one year extendable for a further period of one year upon satisfactory performance and with mutual consent.
9. The EOI proposal should reach the office of the Deputy Managing Director (Investment), FEB & GIF, on or before 13.1.2020 at 12.30 pm on the address of Block A-1, Benevolent Fund building, Shahrah-e-Suharwardy, Zero Point, Islamabad after which no proposal shall be entertained. The technical proposals of the EOIs received will be opened on the same day at 1.00 pm in presence of the bidders who may be present.
10. Previous offers received in response to advertisement dated 5.11.2019 have been rejected and the bidders have to apply afresh.
11. The Managing Director, FEB & GIF reserves the right to reject all the bids at any time prior to acceptance of bids.

For further details, please visit: www.ppra.org.pk or www.febgif.gov.pk

(Muhammad Saleem)
Assistant Director (Investment)
Ph: 051-9252387
Fax: 051-9253209

Format for CV

Personal Information

Name:

Father Name:

Date of Birth

CNIC No.

Address:

Contact No.

Educational Qualification:

Qualification	Year	Institute	CGPA/Division	Remarks
Masters				
Bachelors				
HSC				
SSC				
For other qualification please specify				

CFA Qualified/Not Qualified

Experience:

Area of expertise	Duration	Employer
Research in		

Attach extra sheets for detailed experience.

Signature with date
By each employee