

Institutional Investment Consulting & Related Services

Compiled From:

CFA Institute Centre for Financial Market Integrity
Investment Adviser Association
Investment Management Consultants Association
Institute for Private Investors
Asia Pacific Association for Fiduciary Studies



REQUEST FOR PROPOSALS INVESTMENT RELATED SERVICES

The Palau Protected Areas Network (PANF) Board of Directors (Board) is soliciting proposals to perform investment consulting, asset custody, securities brokerage and other related services, as more fully described in the following scope of services from qualified registered investment advisers and other financial services firms. Respondents must submit a proposal for the entire scope of services. All proposals will be evaluated based upon the solution which is best suited for PANF. In all cases, the proposer must clearly identify the scope of services being addressed and the related fee. Proposals for institutional consulting services must include one fee for all the services listed below with no limit on the number of asset allocation studies, manager searches, etc. PANF reserves the right to select which proposal best meets its needs, and to discuss each proposal with its proposer to negotiate any of the terms and conditions therein.

Scope of Services

1. Institutional Consulting Services
2. Asset Custody Services and Related Reporting
3. Investment Brokerage Execution
4. Endowment Sub-Accounting Services

The RFP Submission Requirements include:

1. **Transmittal Letter:** The respondent must submit a transmittal letter on the Respondent's official business letterhead. The letter must:
 - Identify all documents being forwarded collectively;
 - Include an item-by-item certification that each of the **Minimum Qualifications** detailed in *Appendix A* are met; and,
 - Include any restrictive conditions that the Respondent may need to identify in relation to providing the requested services.
2. **RFP Detailed Response:** The respondent must address the **RFP Questionnaire** items in the order in which they appear in *Appendix B* (and each question number and question must be repeated before stating the Respondents answer).

Appendix A: Minimum Qualifications

Respondents must satisfy each of the following minimum qualifications in order for a specific proposal to be deemed responsive and eligible for evaluation and/or selection. As noted in the RFP, each Respondent's signed transmittal letter must specifically confirm that the firm meets all of the following minimum qualification. Further, any

Protected Areas Network Fund (PANF_RFP No.: 03/2024)

required documentation must also be submitted with the Respondent's submission in order to avoid rejection of the proposal.

1. The Respondent must be insured by either the United States Federal Deposit Insurance Corporation (FDIC) or the United States Securities Investor Protection Corporation (SIPC);
2. The Respondent must have at least \$25 billion in assets under investment consulting services programs,
3. The Respondent must be a registered investment advisor with the SEC under the Investment Advisors Act of 1940;
4. The Respondent must have a dedicated institutional investment consulting services unit and must demonstrate experience in the breadth and depth of their staff;
5. The individuals assigned to PANF must provide evidence of specialized training in the field of Investment Management Consulting, such as Certified Investment Management Analyst™ (CIMA®) designation, Accredited Investment Fiduciary™ (AIF®) or their equivalent.
6. The Respondent must maintain sufficient capacity to provide secure, online access on a password-protected basis to authorized representatives of PANF, and that such access will, at a minimum, provide electronic access to daily asset balances, monthly transaction statements, and quarterly performance reports;
7. The Respondent must have a minimum net worth in excess of \$100 million.
8. The Respondent must have direct access to the Depository Trust Company I.D. System.
9. The Respondent must have at least 10 years of experience as a custodian of similar funds employing multiple investment managers.
10. The Respondent Must have at least \$1 billion in custodial assets
11. The Respondent maintains sufficient procedures & capabilities necessary to ensure the timely and accurate backup and full recovery of all data storage systems in order to provide continuity of services to PANF;
12. The Respondent will designate a lead relationship manager and that individual or a qualified representative of the Respondent will be available to attend PANF Board meetings as often as quarterly, or more frequently as may be requested during times of market turmoil, and from time-to-time, to provide investment education to key officials of PANF.

Appendix B: RFP Questionnaire

I. Firm and Personnel Profile

- ❖ Name of Firm
- ❖ Name, address, and telephone numbers of key contact
- ❖ Ownership structure of firm
- ❖ Brief biographies of individuals to be assigned and professional credentials

Protected Areas Network Fund (PANF_RFP No.: 03/2024)

- ❖ Describe your firm's compliance unit or division, including a brief biography of your firm's Chief Compliance Officer, if any, and the number of staff dedicated to compliance functions.
- ❖ Describe your firm's disaster recovery and business continuity plans, specifically addressing the most recent date and number of times you have tested and practiced your procedures in the past five years.
- ❖ Business focus/client base
 - Describe the primary business focus of your firm. Describe your firm's affiliations with any organizations, specifically a brokerage firm;
 - Identify how many consulting clients you currently have and the dollar amount your firm has under consultancy management.
 - Identify your client turnover (gains and losses) for your firm over the last five years.
 - Describe how many full-time staff your firm employs.
- ❖ Describe the structure of the unit or division within your firm dedicated to investment advisory services; and describe the level of employee turnover in that unit within the past three years.

II. Investment Management Process

- ❖ Asset allocation methodology
 - Describe in detail how your capital markets projections are derived.
 - Describe your asset allocation software. Is it developed in-house? If purchased externally, who is the vendor?
- ❖ Investment Policy Statement
 - Describe in detail the process you go through to prepare an investment policy statement.
 - Include a copy of an investment policy statement that would be appropriate for a fund of this size.
- ❖ Investment Manager Structure and Search Process
 - Describe your database of Investment management organizations. Is the database compiled internally or purchased from an outside source? If purchased externally, who is the vendor?
 - Identify how many Investment managers you currently track.
 - Describe the method for gathering information on the investment managers. How often is the data updated?
 - Are managers required to pay a fee for inclusion in your database?
 - Describe, in step-by-step detail, your due diligence/search process for selecting managers.
 - Describe the guidelines you give a client with respect to the possible termination of an investment manager.

Protected Areas Network Fund (PANF_RFP No.: 03/2024)

- Identify the number of full-time staff you employ who are professionally trained in due diligence.
- Describe the frequency of your staff visits with investment managers, both in-house and on-site.
- ❖ Performance Measurement
 - Describe your firm's process of monitoring investment managers for a client. Relate the process to client's goals, objectives & investment policy.
 - List comparisons, including databases, used to analyze the performance of portfolios. If a firm's own database is utilized, describe its derivation.
 - Describe the various databases your firm uses including those developed in-house or purchased from another source. If purchased, please provide the source of the database.
 - If your firm maintains style groups for comparative purposes, briefly describe how the style groups are derived.
 - Can your firm provide monthly "flash" performance reporting of basic data? If so, how soon after the end of the month would such reports be available. Will it include aggregate and per manager indices comparisons?
 - Relating to quarterly performance reporting, can your firm provide a "flash" report of the Investment managers' performance compared to benchmarks? Such "flash" report would be followed up with a comprehensive performance report as compared to appropriate indices, peer groups, IPS objectives, etc.? How soon after the quarter-end would these two types of reports be available?
 - Please provide a sample performance measurement report.

III. Fiduciary Training

- ❖ Describe the training your firm can offer to PANF Management and its Board of Directors as it relates to their fiduciary responsibilities.
- ❖ Describe the materials available to facilitate the training.
- ❖ Describe the qualifications of the individuals assigned to conduct the training.

IV. Fee Schedule

- ❖ Please outline your fee structure for all proposal services, which must include institutional investment consulting, custody and reporting of assets, and securities brokerage. Please indicate all services you propose to provide and their associated fees. Specifically, detail in terms of retainer, manager searches, performance monitoring on a quarterly basis, and other functions.
- ❖ The stated fee schedule must include all charges associated with your service provisions; the above fees must reflect your costs in their entirety.
- ❖ Does your firm accept soft dollar as a method of payment for services provided? If so, how do you prevent conflicts of interest?

Protected Areas Network Fund (PANF_RFP No.: 03/2024)

- ❖ If hired, will your firm receive any form of compensation from working with this account that has not yet been revealed? If yes, please provide detail.
- ❖ The inclusive fee shall cover time and travel related to attending Board meetings for quarterly, or more frequently as needed, performance reviews.

Proposal Evaluation Criteria

Proposals will be evaluated based upon the following criteria and scoring:

- ❖ Services Proposal (30%)
 - Responsiveness of the proposal to a clear understanding and description of the services to be rendered.
 - Ability to routinely complete the services in a timely manner and present deliverables by their due dates.
- ❖ Firm Qualifications and Experience (35%)
 - Experience, depth and structure of the firm.
 - Firm's scale of operations.
 - Firm's focus and general resources.
- ❖ Management and Staff Qualifications (35%)
 - Resumes and professional designations of individuals to be assigned and responsible for rendering the services.
 - Firm employee turnover.
 - Firm's ability to provide continuity of services.

Responsibility of Bidders

- ❖ Awards shall be made only to responsible contractors. To be determined responsible, a prospective contractor must:
 - Have adequate financial resources to perform the contract.
 - Be able to comply with the required delivery or performance schedule.
 - Have a satisfactory performance record.
 - Have a satisfactory record of integrity and business ethics.
 - Have the necessary organization, experience and skills required to successfully perform the contract.
 - Be otherwise qualified and eligible to receive an award.
- ❖ Right of non-disclosure. Information furnished by a respondent pursuant to obtaining information may not be disclosed outside of the office of the PANF Administrator, without prior consent by the respondent.
- ❖ Obtaining Information. Prior to award, PANF shall obtain information from the offeror necessary to make a determination of responsibility using the factors listed above. The unreasonable failure of an offeror to promptly supply information in connection with an inquiry with respect to responsibility may be grounds for determination of nonresponsibility with respect to that offeror.

Protected Areas Network Fund (PANF_RFP No.: 03/2024)

- ❖ Non-responsibility determination. When a proposal on which a contract award would otherwise be made is rejected because the prospective contractor is found to be nonresponsible, a written determination shall be signed by the PANF General Manager, and approved by the PANF Board of Directors, stating the basis for the determination and this shall be placed in the solicitation file.

Cost Proposal

Price will be a factor for evaluation after the merits of the proposal have been evaluated. Merits of the proposal are more important than price. As the proposals become more equal as to their overall evaluation, price will become more important. PANF expressly reserves the right to award to other than the lowest priced proposer.

Other Proposal Requirements and Notices

Electronic copy of the proposal must be submitted no later than 4 p.m. local time, October 02, 2024 to:

Regis Emesiochel
General Manager
Protected Areas Network Fund
P.O. Box 6094
Koror, Palau 96940

No additional time will be accorded to bidders beyond this date. PANF also reserves the right to reject any and all proposals and to waive any imperfection in a proposal in the best interest of PANF. Proposals shall become the property of PANF.

All inquiries must be directed via email to Regis Emesiochel, General Manager at email address remesiochel@palaupanfund.org, and must be received by PANF no later than two weeks prior to the submission deadline.