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| **Korea Post Savings Global Fixed Income Manager**  **Request for Proposal** |

This is an announcement that Korea Post (‘Korea Post Savings’ thereafter) seeks proposals from global fixed income managers as stated below. Those wishing to participate in this RFP are recommended to carefully read the following contents and apply accordingly.

14 March 2019

President of Korea Post

**1. Introduction – General Information**

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|  | **Details** |
| Number of managers | 2 managers |
| Mandate | Global Aggregate Bond |
| 1st Submission due date | 27 March 2019 at 18:00 (Seoul Time) |
| Final selection | TBD (in June) |
| Effective period | Investment pool shall be valid for 2 years |

**2. Benchmark and number of managers for the mandate**

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| **Mandate** | **Number of managers** | **Benchmark for evaluation** | **Remarks** | **Bloomberg ticker** |
| Global Aggregate Bond | 2 | Bloomberg Barclays Global Aggregate Bond Index | USD  Hedged | LEGATRUH |

**3. Vehicle**

- Selected managers shall have an offshore fund available and also be able to set up a separately managed account with the Korea Post Savings’ global fixed income advisor; Shinhan BNP Paribas Asset management(“Shinhan BNPP”)

※ Shinhan BNPP shall be responsible for the following: portfolio advisory, fund/account setup and related administration, currency hedging, and etc.

**4. Minimum Qualifications**

1) A Proposing Manager must be

- A (domestic) financial investment entity that obtained authorization or completed registration for management of, or giving instructions for the management of, the collective investment property (including the exercise of voting rights for equity securities included in the collective investment property), pursuant to the Article 42 (4) of the Financial Investment Services and Capital Markets Act, and Article 47 (1)-3 of its Enforcement Decree.

Or,

a (foreign) financial investment entity that obtained authorization or completed registration for engaging in the similar business in its home country. In accordance with the Article 4-4 (2)-9 of the Regulations on Financial Investment Business, the foreign entity must be able to guarantee the acceptance of the audit and inspection request by the domestic inspection authority.

2) The Proposing Manager must have a minimum of three-years verifiable performance history(track record) in the strategy. The manager must have an offshore fund with a minimum of USD 500 million under management, and the proposed strategy composite(including the offshore fund) must have a minimum of USD 1 billion under management as of 31 December 2018.

3) The Proposing Manager must have fixed income assets with a minimum of USD 5 billion under management as of 31 December 2018.

4) The manager must not be included currently in the Korea Post Savings’ restricted counterparty list.

5) The manager must not be currently chosen for the Korea Post Savings’ Global Aggregate Bond Mandate.

**5. Evaluation process and proposal guideline**

A. (1st) Quantitative Evaluation

- Evaluation period: From 1.1.2016 to 12.31.2018

- Criteria for the evaluation of performance

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| **Evaluation items** | **Points** | **Assessment** |
| **I. Performance** | **80** |  |
| 1. Excess return | 30 | Relative to the benchmark |
| 2. Risk-adjusted return | 50 | Information ratio (IR) |
| **II. AUM and Investment period** | **20** |  |
| 1. AUM | 10 | AUM of the proposed fund |
| 2. Management period | 10 | Management period of the proposed fund |
| **Total** | **100** |  |

B. (2nd) Qualitative Evaluation

- Those applicants who have passed the 1st Evaluation (up to 4 managers will be chosen)

- 2nd Evaluation: Presentation material and presentation prepared in Korean

- Criteria for 2nd Evaluation

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| **Evaluation items** | **Points** | **Assessment** |
| **I. Governance** | **10** |  |
| 1. Corporate Governance | 10 | Company profile, characteristics, corporate governance, etc. |
| **II. Investment Strategy** | **25** |  |
| 1. Investment Philosophy | 5 | Investment philosophy, ethics code, reputation |
| 2. Investment Process | 10 | Strategic investment process: portfolio construction process, asset allocation process |
| 3. Portfolio Strategy | 10 | Investment strategy and Feasibility |
| **III. Fund Management Team** | **15** |  |
| 1. Portfolio Manager | 10 | Managers’ experience, tenure, reputation |
| 2. Research | 5 | Research organization, capabilities |
| **IV. Risk and Compliance** | **20** |  |
| 1. Risk Management | 10 | Risk management process and system |
| 2. Compliance | 10 | Compliance monitoring system, compliance code of conduct |
| **V. Fees & Client servicing** | **30** |  |
| 1. Management Fee | 20 | Proposed fee level |
| 2. Client Servicing | 10 | Client servicing capabilities, Client training program |
| **Total** | **100** |  |

C. Guidelines

* Expected Length of Proposal Document: Approximately 20 pages.  
  The details provided for the 1st round evaluation must be summarized in the first part of the proposal.
* The fund or composite submitted must be managed by the Proposing Manager. A fund or composite managed by other firms in the form of fund of funds/multi-manager fund is restricted.
* The proposal document must be written in Korean. The 2nd round onsite presentation session will be conducted in Korean as well. The finalist will be selected based on final scores and will be given a priority.
* If a serious fault or error is detected in the proposal, the applicant will be automatically excluded during the selection process. This penalty will also apply to the finalist even if such fault or error is found after the selection.
* In case of above, the applicant with the second highest grade, based on the quantitative and qualitative evaluations, may be included on the list of finalists after due diligence.

6. **Schedule**

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|  | **Due Date** |
| 1st submission | 27 March 2019 |
| 1st round assessment and selection | 10 April 2019 |
| Presentation material submission | 24 April 2019 |
| Presentation | 25 April 2019 |
| Due Diligence on Finalist (if necessary) and Final Selection | within the month of June |

    ※ The above schedule is subject to change.

7. **Proposal Submission**

1. **Deadline:** for 1) and 2) below, 18:00 27 March 2019 (Seoul Time)

And, for those managers who pass the 1st evaluation, deadline for 3) below will be 18:00 24 April 2019 (Seoul Time)

**B. Documents for submission:**

1. Excel file for 1st stage evaluation (Use the attached excel format)

- Composite should be GIPS-compliant

- Use the attached excel format and follow guidelines in the format

- File name: Data\_Company Name\_Global Agg\_2019

- Data as of 31 December 2018

1. Other GIPS-related documents (Both of GIPS verification report and composite report)

- File name: GIPS\_Company Name\_Global Agg\_2019

1. Proposal (Microsoft Power Point format or slide-formatted PDF, should be prepared in Korean)

- File Name: Proposal\_Company name\_Global Agg\_2019

- The proposal needs to be written approximately 20 pages in accordance with the guidelines below.

【Proposal detail】

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| **Category** | **Information that should be included in presentation** |
| Summary of 1st Evaluation | - Performance, AUM, etc. |
| General Information | - Composite(strategy) name, an ISIN code, portfolio manager profile, location of the relevant investment team, average turnover ratio, etc. |
| Corporate Governance | - Company profile, characteristics, corporate governance, global network, etc. |
| Investment Strategy | - Investment philosophy  - Investment process  - Portfolio strategy |
| Investment Team | - Managers’ experiences  - Research capabilities |
| Risk Management | - Risk management process and system  - Compliance monitoring system |
| Fee and Service | - Proposed fee level(Fund, SMA, separately)  - Client servicing capabilities, client training program, contact point, etc. |

Korea Post Saving or Shinhan BNPP may further request information or data in relation to performance, investment process, investment team or etc.

**C. Submission and inquiries**

- Submission and inquiries: **via e-mail only**(unless requested otherwise)

- to [igooky@korea.kr](mailto:igooky@korea.kr) (Inkook Kang, Korea Post) and [advisory.bond@shbnppam.com](mailto:advisory.bond@shbnppam.com) (Global Fixed Income Team, Shinhan BNP Paribas Asset Management)

※ Email title should be started with [KP RFP]