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| **Korea Post Savings****Request for Proposal for Global Multi Factor Equities** |

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

May 17th, 2019

President of Korea Post

**1. Introduction – General Information**

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|  | **Details** |
| Number of investment managers | 3 investment managers |
| Submission period | From May 17th, 2019 to May 31th, 2019 at 17:00(Seoul time) |
| Final selection | July, 2019 (TBD) |
| Valid period\* | Investment pool shall be valid for 2 years after final selection |

 \* After the valid period, selected applicants will be removed from the investment pool and the planned funding will not take place.

**2. Benchmarks and number of investment managers for each mandate**

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| **Mandate** | **Number of managers** | **Benchmark for evaluation** | **Currency****Hedging** | **Bloomberg ticker** |
| Global | Multifactor | 3 | MSCI World Index (Net Return USD) | Unhedged | NDDUWI |

**3. Vehicle**

- Selected investment managers shall set up a managed account with one of the two Korea Post Savings’ overseas-equity investment advisors; Mirae Asset Global Investments (“MAGI”) or Korea Investment Management Co., Ltd.(“KIM”)

※ MAGI and KIM shall be responsible for: portfolio advisory, fund setup, fund administrative work, currency hedging, etc.

**4. Qualifications and Guidelines for proposals**

 A. Common qualifications

1) Local investment managers that meet the following conditions:

  All candidates must comply with Article 8 of the Financial Investment Services and Capital Market Act governed by Republic of Korea and its related regulations.

- Overseas investment managers that meet the following conditions:

 All candidates must comply with Article 4-4.2.9 of the Enforcement Rule of the Financial Investment Services and Capital Market Act governed by Republic of Korea and its related regulations; the Financial Service Supervisory of Republic of Korea or relevant authorities may ask for documents or materials relating to the Services in respect of inspection, and all candidates, if finally selected, shall comply with the FSS’s inspection subject to the applicable regulations. They are also required to have obtained authorization from or completed a registration in the authority at which their place of investment business locates for carrying out collective investments as described in the qualifications for local equity fund managers above.

2) As of end of December 2018, the proposed composite must have a minimum track record of 3 years and possess an AUM of over USD 300 million. Both the track record and AUM of the composite must be GIPS-compliant.

3) Local and overseas investment managers currently not included in the list of restrictive in trade with Korea Post Savings.

4) Primary investment approach of proposed strategy should be quantitative.

5) Proposed strategy should invest in multi factors such as Quality, Momentum, Value, Size, Yield, Volatility etc. Strategies that statically focus on one or two key factors are ineligible

B. Guidelines

1) The composite submitted must include the actual fund managed by the applicant and a composite managed by other firms in the form of fund of funds are restricted.

2) Global asset management companies who are in joint venture with a local firm shall be regarded as one applicant. (e.g. ABC Global Asset Management and ABC-Arirang Asset Management(a local joint venture))

3) The counterparty between the selected applicant and the overseas-equity investment advisor (MAGI) shall be the actual company under which the portfolio manager belongs.

4) Although Strategy with similar benchmark(e.g. MSCI ACWI, FTSE Developed etc.) is also eligible, quantitative evaluation will proceed only with the mandated benchmark for evaluation. After the final selection, it is anticipated that investment manager will manage a portfolio against the mandated benchmark.

5) During the 2 year pool valid period, even if a fund soft closing occurs, the fund shall be guaranteed a maximum investment of USD 100 million.

**5. Evaluation process and proposal guideline**

**A. 1st Quantitative Evaluation**

- Evaluation period: From Jan 1rd, 2016 to Dec 31th, 2018

- Criteria for the evaluation

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

**B. 2nd Qualitative Evaluation**

* Those applicants who have passed the 1st evaluation. (2x of the final selection)
* 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, Corporate governance, etc. |
| **II. Investment Strategy** | **25** |   |
| 1. Investment Philosophy | 5 | Investment Philosophy, Ethics code, Reputation |
| 2. Investment Process | 10 | Strategic investment process: Asset allocation process, Stock selection, Portfolio construction process, etc. |
| 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 capability and process |
| **IV. Risk and Compliance** | **20** |   |
| 1. Risk Management | 10 | Risk management process and system |
| 2. Compliance | 10 | Compliance monitoring process, Compliance with 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. Pre-candidate evaluation and on-site due diligence**

 - Applicants will be prioritized and will be a preferred bidder based on 1st and 2nd round evaluation results (Quantitative 50% + Qualitative 50%).

 - The information submitted by the pre-candidates shall be reviewed during the on-site due diligence.

**6.** **Promotion Schedule**

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| **Scheduled Date** | **Detail** |
| 19.5.17(Fri)~5.31(Fri) | **Proposal and data submission :** Refer to 「7. Proposal Submission」 |
| 19.6.3(Mon)~6.14(Fri) | **Quantitative Evaluation :** Review and evaluation of submitted information |
| 19.6.26(Wed) | **Qualitative Evaluation :** Oral-presentation evaluation  |
| 19.7(TBD) | **On-site Due Diligence and Final selection**Pre candidate selection and on-site due diligence**Final Selection and Announcement****(Announcement)** Korea Post Website |

   ※Above schedule is subject to change.

**7.** **Proposal Submission**

**A. Deadline:** 2019.5.31(Fri), 17:00 (Seoul Time)

※When submitted in hard copy, documents with postage date within the deadline will be accepted.

**B. Documents for submission:**

1. Proposal (Microsoft Power Point format or Slide formatted PDF, must be prepared in Korean and English respectively. For hard copy, you may send only Korean version.)

- File Name: Company Name\_KPRFP\_2019MF\_Ko/En

- The proposal should be around 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, performance relative to benchmark, IR, AUM, Management period |
| General info | - Initial minimum investment, Fund name, ISIN, Inception date, Manager, Location, TE, IR, Turnover ratio etc.,    |
| Corporate Governance | - Company overview, Corporate governance structure (changes), Global network presence, if any, in Korea |
| Investment Strategy | -Investment philosophy, Strength-Asset Allocation, Investment process-Market outlook and Strategy |
| Investment Team | -Experience and Career of Portfolio Manager-Research capability |
| Risk Management | -Risk management process and system -Compliance guidelines |
| Fee and Service | -Management Fee-Client servicing capabilities(Contact point) |

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

- Composite should be GIPS-compliant and submitted based on net of fees in USD. Performance before management fees can also be submitted but the performance shall be evaluated by deducting the proposed management fee.

- File name: Company Name\_1st DATA\_2019MF.xlsx

1. Other GIPS related documents (1 copy of GIPS report which includes Composite

 Definition, Benchmark Description, GIPS-compliant Composite performance and 1 copy of GIPS Verification Report)

- File name: Company Name\_GIPS Report\_2019MF

 Company Name \_GIPS Composite\_2019MF

※ The composite definition, as required with GIPS standards, must include sufficient information such that the investor can fully understand the strategy and the investment objective of the composite. The applicant must select the appropriate composite to apply for the appropriate category

※ Applicants who do not possess the 2018 GIPS Verification Report at this time may submit the 2017 GIPS Verification Report and supplement the 2018 report afterwards. Although it is the case that the 2018 GIPS Verification Report cannot be submitted, a GIPS-compliant Composite performance (USD) must be submitted as required excel file in section 2)

4) Representation Letter (see the attached)

**C. Inquiries and Submission**

※ All Email title should start with [KP RFP]

1. **Inquiries**

- Only via E-mail

- Should be submitted to all e-mail address below

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| **Mandate** | **Contact** | **Email Address** |
| GlobalMultiFactor | Jihye Jo Postal Savings securities Investment Division, Korea Post | jojihye@korea.kr |
| Joohee Lee FoF division2, Mirae Asset Global Investments | iconsulting@miraeasset.com |

1. **Submission**

**- One Soft copy and One Hard copy**

1. **Soft copy:** Should be submitted to all e-mail address below

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| --- | --- | --- |
| **Mandate** | **Contact** | **Email Address** |
| GlobalMultiFactor | Jihye Jo Postal Savings securities Investment Division, Korea Post | jojihye@korea.kr |
| Joohee Lee FoF division2, Mirae Asset Global Investments | iconsulting@miraeasset.com |

1. **Hard Copy: via mail or office visit**

- ATTN : Jihye Jo, Postal Savings Securities Investment Division at Korea Post

- Address : 8th Building, Sejong Government Complex, 19, Doum 5-ro, Sejong-si, Republic of Korea (Zip code: 30114)

**D. Things to be aware of for the Proposal**

- If there is false information or erroneous information submitted, the candidate will be removed from the selection process, even after the selection process has been completed.

- Submitted documents are not returned.

End.

**Representation Letter**

To. Korea Post Savings

Upon submission of the application in response to the RFP by Korea Post Savings for (Mandate Type) manager, I hereby confirm that all the information provided in the application documents are true and correct to the best of my knowledge and belief.

We undertake that we shall provide full support for any additional inquires during the evaluation process and also agree that your firm may contact the relevant institutions or entities in order to validate the submitted information such as performance of funds.

We acknowledge that any materially false or misleading information may cause us adverse actions including, but not limited to, revocation of selection, exclusion from future RFP invitations, refund of management fee and/or reparation for the damage, if any, awarded by a court of competent jurisdiction.

2019. . .

(signature of representative)

      (typed name of representative)

(title)

(company name)