

Response to queries raised by bidders till 11.50 pm on 14th August, 2020 on the Request for Proposal (RFP) for Appointment of Portfolio Managers for managing Seamen's Provident Fund Organization's (SPFO) Fund:

Query raised by SBI FM Pvt. Ltd.-

Sr. No.	Reference (Clause No. / Page No.) in the RFP	Content of RFP requiring clarification	Points of Clarification	Response to query
1	Clause No. 7.2 / Page No. 24	Ratio of Defaulted Investment^ to total quarterly average AUM	Whether the defaulted investment being reported should only include the defaults that have happened on the positions bought by the Bidding Fund Manager and not the defaulted investments which were received by them by way of legacy portfolio which would have been invested by some other Fund Manager. This is critical as one cannot be punished for an act of some other Fund manager.	Please refer to section 8.3.2 and 8.3.5 of the RFP document.
2	Clause No.8.3.2/Page 33 Clause No.8.3.3/Page 34 Clause No. 8.3.4/Pages 34-5 Clause No. 8.3.5/Pages 35-36	"Technical Bid Data" excel and "Illustrations" excel referred in the said clauses	RFP refers to "Technical Bid Data" excel and "Illustrations" excel in the said clauses and says those excels are provided along with RFP. However, the said excels are missing. Kindly request you to provide those excels.	The excel for "Technical Bid Data" and "Illustrations" are also uploaded along with this document on the SPFO website.

Query raised by M/s Dharashaw & Co.-

Sr. No.	Reference (Clause No. / Page No.) in the RFP	Content of RFP requiring clarification	Points of Clarification	Response to query
3.	-	-	<p>Please find attached our submissions towards the Request for Proposal for Appointment of Portfolio Manager for managing SPFO's funds</p> <p>May we humbly submit Sir, that we observe that the tender follows EPFO's tender for selection for Fund Manager. Having said that, may we submit that the EPFO has a unique structure, management and its constituents are vastly different from that of SPFO.</p> <p>SPFO, owing to the size and constituency is much nimbler in their operations and the employee members coming under the ambit of SPFO are more aware than the average member catered to by an institution as huge and complex as the EPFO.</p> <p>Organizations such as us can follow the best practices followed by other organizations such as some of the large Corporates such as HDFCs, TATAs, Birlas, Banks etc.</p> <p>May we therefore request that the RFP may also evaluate key credentials specific to Retirement Trust Funds such as:-</p> <ul style="list-style-type: none"> • AUM specifically from Retirement Trust Funds • Number of Asset Liability Management (ALM) studies conducted • Number of Portfolio Restructuring/Asset Switch exercises undertaken • Number of Retirement Benefit Trusts served <p>We humbly submit that the above mentioned criteria are very pertinent for a Trust of the size of SPFO and therefore they can follow the best practices deployed by other similar sized Trusts. May we also submit that the above mentioned criteria are also being evaluated by Banks and some of the most well known and large Financial Institutions across the country and these institutions are not replicating the criteria used by the larger & complex funds of the nation.</p> <p>Sir, since our last discussion two years ago on the above subject, we have seen sea change in the prevailing environment. Markets and the macroeconomic scenario has changed dramatically post COVID-19. It is our submission that a process that brings out the best in class for SPFO be followed. We would be happy to take you through the market dynamics, changes and position today.</p>	<p>The RFP for appointment of portfolio manager has been finalized by the competent authority of SPFO. The query on RFP is to give bidders an opportunity to seek clarifications on the RFP floated by SPFO.</p> <p>Please refer to section 6 of the RFP document for the RFP process and clause 7.1, 7.2 and 8.4 of the RFP document for the bid evaluation criteria for selection of portfolio managers.</p>