

## RFP Emerging Markets 2018

### Background to Första AP-Fonden

Första AP-fonden (AP1, the Fund) manages assets with a value of SEK 333 billion (as of Dec 31, 2017). AP1 is one of the buffer funds assigned by the Swedish Parliament (Riksdagen) to manage the Swedish people's pension funds. Combined with well-balanced financial risks our mission is to achieve the highest possible return on the Fund's invested assets and thereby contribute to a strong and predictable old-age pension for current and future pensioners. More information about our portfolio and how we have built up our management organisation to enable the fulfilment of the set goals is presented on our web-site: [www.ap1.se](http://www.ap1.se)

The Fund's assets are managed both internally and externally. Management areas where the Fund does not possess, or has difficulty in obtaining the right expertise are managed externally.

Since the Fund is a governmental institution (central level) the tender procedure is regulated in the European Procurement legal framework, primarily in Directive 2014/24/EU.

Furthermore, the Fund has a sustainability vision and strategy that applies to the entire fund, including externally managed mandates. The complete policy document is available for download at [www.ap1.se](http://www.ap1.se).

## RFP Emerging Markets 2018

### General instructions

The questionnaire should be responded to according to the listing of the questions and each question should be answered in full (i.e. no cross references to other questions)

All information regarding performance, assets under management, people and process etc. should concern the specific strategy unless otherwise stated. All numbers must be quoted in USD as of March 31st, 2018 unless otherwise stated.

The investment company must be able to document experience in management of institutional accounts for Emerging Markets Equities.

The manager must be able to show a live GIPS compliant track record for the offered product of at least 12 full months at the time of submission.

Expressions of interest must be accompanied by information/documentation in respect of the following:

1. Registration with relevant regulatory authorities.
2. Recent annual report (or similar document)
3. CV's for the CEO and the board members or equivalent for the relevant entity
4. A full list of portfolio holdings for the offered product, including SEDOL identifier, nominal holding and market value of holding as of March 31st, 2018, in an Excel spreadsheet.
5. Monthly returns for the composite and the benchmark in an excel spreadsheet.
6. A sample of the reports made available to clients, including performance and risk reports.

Further information can be obtained from:

Email: [tina.ronnholm@ap1.se](mailto:tina.ronnholm@ap1.se)  
Phone: +46-8-566 202 83 (Tina Rönnholm)

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## RFP Emerging Markets 2018

### Award Criteria

Criteria, which will apply, are stated below. The criteria are not listed according to priority. On the basis of these criteria the offers most economically advantageous to AP1 will be selected.

- AP1's confidence in the candidate's long term ability to deliver future risk adjusted excess returns
- Candidates fit into AP1 overall investment objectives and service requirements
- Candidates can demonstrate how ESG is integrated into the investment process
- Fees

**PLEASE MAKE SURE TO PRESS SAVE OR NEXT BEFORE CHANGING TAB, OTHERWISE YOUR INFORMATION MIGHT BE LOST!!!**

1. Which strategy are you applying for?\*

2. What is the formal name of the offered product?

3. Do you offer this product as a fund, segregated account or both?

4. Is the offered product available in the Mercer GIMD database?  
If not, please motivate why. If yes, enter the name of the strategy in GIMD.

## RFP Emerging Markets 2018

### Company Overview & business management

Enter the following information

**PLEASE MAKE SURE TO PRESS SAVE OR NEXT BEFORE CHANGING TAB, OTHERWISE YOUR INFORMATION MIGHT BE LOST!!!**

5. Legal name of the Asset Management Company

6. Address  
(Asset Management Company)

7. Telephone number  
(Asset Management Company)

8. Contact person  
Marketing or sales representative

Name	<input type="text"/>
Location (city)	<input type="text"/>
Telephone	<input type="text"/>

Fax	<input type="text"/>
Email	<input type="text"/>

## RFP Emerging Markets 2018

### Company Overview & business management

This question apply to the parent of the group if applicable.

**PLEASE MAKE SURE TO PRESS SAVE OR NEXT BEFORE CHANGING TAB, OTHERWISE YOUR INFORMATION MIGHT BE LOST!!!**

9. Legal name of the group  
if not applicable leave empty.

10. Address  
if not applicable leave empty.

11. Telephone number  
if not applicable leave empty

- 
12. Is the legal contract counterparty the same as the local entity responsible for the investment management?

- Yes  
 No  
 Optional

13. If different please provide contact details for the contract counterparty.

14. In the next phase, if you are asked to participate, the fund expects to visit the manager onsite. To which location(s) should we go to  
1) get a good view of how the investments are carried out,  
2) to see the manager's edge in asset management, and  
3) to get a good feeling for the culture characterizing the firm?

## RFP Emerging Markets 2018

### Company Overview & business management

**PLEASE MAKE SURE TO PRESS SAVE OR NEXT BEFORE CHANGING TAB, OTHERWISE YOUR INFORMATION MIGHT BE LOST!!!**

15. Please describe the firm history, including the year the investment management company was established (the full asset management business).

16. Please describe your organisation and ownership structure (legal) for the overall group (if applicable) as well as for the asset management company (including relationship with parent company, subsidiaries and affiliates, mergers, acquisitions, spin-offs etc.). Please also send fresh charts by email. Please state any planned changes and changes incurred over the last five years.

17. Please describe your overall strategic business plan over the coming years. Do you intend to grow your overall business? How?

18. Have you started to develop any new products or strategies or do you have any plans to do so? If so, please describe.

## RFP Emerging Markets 2018

### Company Overview & business management

**PLEASE MAKE SURE TO PRESS SAVE OR NEXT BEFORE CHANGING TAB, OTHERWISE YOUR INFORMATION MIGHT BE LOST!!!**

19. Please provide the following financial key figures, for the asset management company, for the last five annual accounts  
In USD, millions.

	2017	2016	2015	2014	2013
Net EBITDA	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Net earnings	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Assets	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Liabilities	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

20.

Select file to upload:  
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File size restricted to: 4194304 KB  
File type restricted to: No file type restrictions.

File Name: (limit 255 characters)

File Description: (limit 255 characters)

Files Uploaded:

21. Please specify your three largest products in % of AuM.

22. Which are the most important products for your firms revenues?

23. Please provide a short description of the ethics policy/code of conduct for the investment management company

24. Please list the regulatory authorities that the company is registered with including the asset management company's registration number if applicable.

25. Are there any instances, during the last five years when you (yourself, parent or affiliate company) have had your license revoked, been fined or been disciplined by any relevant regulatory body?  
If yes, please provide a short description of the cases and please indicate whether the cases are still pending.

26. Are there any guarantees issued from internal or external parties to cover any liabilities incurred on the Fund as a result of the company's action?

27. Describe the insurance coverage that the company carries, including the name of the insurer. Does the insurance cover rogue trading? If yes, please explain the coverage.

## RFP Emerging Markets 2018

### Product overview & strategy

**PLEASE MAKE SURE TO PRESS SAVE OR NEXT BEFORE CHANGING TAB, OTHERWISE YOUR INFORMATION MIGHT BE LOST!!!**

28. Please provide the following general characteristics of the offered product

Only state raw facts here, i.e no comments on your responses.  
 \* Success ratio is the percent of periods with positiv excess return. e.g. 24 of 36 months with excess return give a success ratio of 67%  
 \*\* If applicable  
 \*\*\* outperformance target or absolute return target

	As of 31 Mars, 2018
Inception year of the product	<input style="width: 90%;" type="text"/>
Year the current investment team was established	<input style="width: 90%;" type="text"/>
Location of investment team (if multiple, put location of lead PM first)	<input style="width: 90%;" type="text"/>
Number of people in investment team (not including shared analyst resources etc)	<input style="width: 90%;" type="text"/>
Benchmark**	<input style="width: 90%;" type="text"/>
Type of process (eg bottom-up, top-down etc)	<input style="width: 90%;" type="text"/>

Type of style (value, growth, core, garp etc)	<input type="text"/>
Outperformance target p.a. over a cycle (3-5 yrs)***	<input type="text"/>
Expected TE range ex post**	<input type="text"/>
IR target over a cycle**	<input type="text"/>
Number of stocks typically in the portfolio	<input type="text"/>
Turnover (calc as lesser of buys/sells divided by avg market value)**	<input type="text"/>
Excess return annualized (gross of fees / net of taxes) ex post 1 yr**	<input type="text"/>
Excess return annualized (gross of fees / net of taxes) ex post 3 yrs**	<input type="text"/>
Excess return annualized (gross of fees / net of taxes) ex post 5 yrs**	<input type="text"/>
Tracking error ex post 3 yrs**	<input type="text"/>
Tracking error ex post 5 yrs**	<input type="text"/>
Portfolio beta ex post 3 yrs**	<input type="text"/>
Portfolio beta ex post 5 yrs**	<input type="text"/>
Success ratio 3 yrs*	<input type="text"/>
Success ratio 5 yrs*	<input type="text"/>

**29. Fill in the table with the "Active money" ratio.**

Active money calculated as the sum of the absolute difference between the weight of a holding in the portfolio vs the benchmark.

	2018-03-31	2017-12-31	2016-12-31	2015-12-31	2014-12-31
Active money	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**RFP Emerging Markets 2018**

**Product overview & strategy**

**PLEASE MAKE SURE TO PRESS SAVE OR NEXT BEFORE CHANGING TAB, OTHERWISE YOUR INFORMATION MIGHT BE LOST!!!**

30. Do you plan to grow the offered product? How? In which markets? Timetable? Type of customer?

31. Do you foresee any capacity constraints for the offered product?

If so, how will you handle a future soft and/or hard closing?

32. How do you scale your organisation to changes; new customers, number of accounts, and inflow of capital?

**RFP Emerging Markets 2018**

**Assets under Management**

**PLEASE MAKE SURE TO PRESS SAVE OR NEXT BEFORE CHANGING TAB, OTHERWISE YOUR INFORMATION MIGHT BE LOST!!!**

33. Please fill in the table below for the offered product only

	Total	Institutional specialist segregated accounts	Pooled institutional assets	Retail pooled funds	Carve-outs
Number of clients	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Number of accounts	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Assets under Management (MUSD)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Number of accounts gained over 3 years (ending 31.03.18)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Asset value (MUSD) of accounts gained over 3 years (ending 31.03.18)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Number of accounts lost over 3 years (ending 31.03.18)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Asset value (MUSD) of accounts lost over 3 years (ending 31.03.18).	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

34. Please provide reasons for loosing any mandates mentioned in the previous question

35. Please fill in the table below for the total AuM of the firm.

	Total	Institutional specialist segregated accounts	Pooled institutional assets	Retail pooled funds	Carve-outs
Number of clients	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Number of accounts	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Assets under Management (MUSD)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Number of accounts gained over 3 years (ending 31.03.18)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Asset value (MUSD) of accounts gained over 3 years (ending 31.03.18)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Number of accounts lost over 3 years (ending 31.03.18)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Asset value (MUSD) of accounts lost over 3 years (ending 31.03.18).	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

36. Please provide reasons for loosing any mandates mentioned in the previous question

### RFP Emerging Markets 2018

**Assets under Management**

**PLEASE MAKE SURE TO PRESS SAVE OR NEXT BEFORE CHANGING TAB, OTHERWISE YOUR INFORMATION MIGHT BE LOST!!!**

37. Please fill in the table below for the Assets under Management

Aum (\$'000)

	2017	2016	2015	2014	2013
Product, total	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Product, unaffiliated external clients only	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Firm, total	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Firm, unaffiliated external clients only	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

38. Please fill in the table below for the number of accounts

	2017	2016	2015	2014	2013
Product, total	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Product, unaffiliated external clients only	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Firm, total	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Firm, unaffiliated external clients only	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

39. Please provide the size of your three largest account for the offered product.

	Size (MUSD)	% of product	Name/type of client
Largest account	<input type="text"/>	<input type="text"/>	<input type="text"/>
Second largest account	<input type="text"/>	<input type="text"/>	<input type="text"/>
Third largest account	<input type="text"/>	<input type="text"/>	<input type="text"/>

40. Please provide the size of the three largest accounts of the firm.

	Size (MUSD)	% of firm AuM	Name/Type of client
Largest account	<input type="text"/>	<input type="text"/>	<input type="text"/>
Second largest account	<input type="text"/>	<input type="text"/>	<input type="text"/>
Third largest account	<input type="text"/>	<input type="text"/>	<input type="text"/>

### RFP Emerging Markets 2018

**Investment Philosophy**

**PLEASE MAKE SURE TO PRESS SAVE OR NEXT BEFORE CHANGING TAB, OTHERWISE YOUR INFORMATION MIGHT BE LOST!!!**

41. Please describe your investment philosophy.



42. When was this philosophy implemented?

43. Has there been any major changes to the investment philosophy since the inception of the offered product?

If yes, please describe.

AP1's vision is to be a responsible investor and active owner who, through its investments and engagement, is part of the solution to global challenges of the future, namely a growing population, resource scarcity and climate change.

To achieve this, sustainability aspects have to be an integral part of our investment decisions. In this analysis, our focus is on resource efficiency, i.e. responsible use of natural resources, human capital and financial capital. A minimum requirement is that the companies we invest in comply with the Global Compact's ten principles for corporate sustainability.

44. Please elaborate on your investment beliefs and how they are related to responsible investments. Please also elaborate on how well you think they are aligned with AP1's sustainability strategy as described above.

45. Has there been any minor changes to the investment philosophy since the inception of the offered product?

If yes, please describe.

46. Please describe the investment style best characterising your offered product.

47. Please indicate the relative importance of the following targets for the offered product (%)

- Relative outperformance (Alpha) creation
- Beta exposure
- Absolute return (please specify currency)
- Others (please specify)

## RFP Emerging Markets 2018

### Investment process

**PLEASE MAKE SURE TO PRESS SAVE OR NEXT BEFORE CHANGING TAB, OTHERWISE YOUR INFORMATION MIGHT BE LOST!!!**

48. Please describe your investment process in detail. Make sure you cover the following:

- The steps in the investment process leading from investment ideas being generated to implementation in the portfolio. Please provide the names of the people/teams involved in each step and the person ultimately responsible for the decision taken in each step (please email flowcharts if available).

- How do you consider and integrate ESG factors in your decision making? Please describe how you identify and manage material ESG-related risks and opportunities in the investment process/portfolio management of the offered product? Please provide us with examples showing how ESG aspects have influenced investment decisions.

- The discretion given to individual analysts and portfolio managers to deviate from the model portfolio (if applicable).

- The buy and sell discipline in place.

- Please describe the main factors in this process that gives your company an edge relative to your competitors.

49. Please elaborate on how you integrate and evaluate ESG or other non-financial issues in your investment process.

50. Have you made any major changes to the investment process since the inception of the offered product?  
Please describe.

51. Have you made any minor changes to the investment process since the inception of the offered product?  
Please describe.

52. Under what circumstances would your firm deviate from the buy/sell disciplines?  
Have you ever deviated?

If, so please describe.

53. Please describe the three best and worst investments during the year from an ESG perspective.  
Company, describe the case, outcome and potential learning.

54. Do you visit the companies before accepting them in the portfolio? Please also elaborate on your engagement process with the companies.

55. Please describe any ESG-screening performed as an integral part of your security selection process.  
Please describe if and how you would make the ESG-findings available to the Fund.

## RFP Emerging Markets 2018

## People

**PLEASE MAKE SURE TO PRESS SAVE OR NEXT BEFORE CHANGING TAB, OTHERWISE YOUR INFORMATION MIGHT BE LOST!!!**

56. Please describe the history of the team currently managing the specific product.

57. Please list the key decision makers and the individuals responsible for the offered product and describe each person's background, including their year of birth.

Short biographies may be submitted here. Complete biographies including extensive and detailed CV's shall be sent by email. (Please note that year of birth is a compulsory information since that is vital in evaluation of the organization)

58.

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File type restricted to: No file type restrictions.

 Browse...

File Name: (limit 255 characters)

File Description: (limit 255 characters)



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59. How is the investment team responsible for the offered product organised? Please provide details of any organisational changes that have occurred within the last five years.

60.

**Select file to upload:**

(click "Browse" button below to locate file)

File size restricted to: 4194304 KB

File type restricted to: No file type restrictions.

 Browse...

File Name: (limit 255 characters)

File Description: (limit 255 characters)



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61. Do you foresee any changes among the senior people over the coming years?

If yes, please describe.

62. Please list the office locations from which the investment team operates. If the team operates from more than one location, please describe how the communication/interaction between the offices/teams is organised.

63. Please describe your formal meeting structure for the offered product.

64. Has anyone within the team changed geographical location within the last three years? From? To? Any changes planned?

65. For each member of the team; state the year they joined the team for the offered product and list all other responsibilities – investment as well as administrative – apart from the offered product and state the year they were given each responsibility.

### RFP Emerging Markets 2018

**People**

**PLEASE MAKE SURE TO PRESS SAVE OR NEXT BEFORE CHANGING TAB, OTHERWISE YOUR INFORMATION MIGHT BE LOST!!!**

66. Please list joiners in the offered product over the last five years.

If the number of rows is not sufficient you may send the remaining by email to [tina.ronnholm@ap1.se](mailto:tina.ronnholm@ap1.se)

	Year	Name	Responsibility	Previous employer
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				

67. Please list leavers in the offered product over the last five years.

If the number of rows is not sufficient you may send the remaining by email to [tina.ronnholm@ap1.se](mailto:tina.ronnholm@ap1.se)

	Year	Name	Responsibility	Reason	Employment years	New employer	Contact details
1.							
2.							
3.							
4.							
5.							
6.							
7.							

8.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
9.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
10.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

68. Please describe the basis upon which investment professionals are remunerated.  
(method for determination of bonus etc.)

^  
v

69. Please describe the corporate culture characterizing your firm and how it differs from other firms. Please share your view on the importance of this culture for your firm and the importance of corporate culture in the fund management industry in general.

^  
v

70. In what way do you cultivate corporate culture?

^  
v

71. Who are the most important culture bearers within the firm?

^  
v

### RFP Emerging Markets 2018

**People**

**PLEASE MAKE SURE TO PRESS SAVE OR NEXT BEFORE CHANGING TAB, OTHERWISE YOUR INFORMATION MIGHT BE LOST!!!**

72. Do you see any need for culture related changes in the near future? How?

^  
v

73. Do you have a plan for succession (in terms of on-going management of the product)?  
Please describe.

^  
v

74. Please list the number of employees in each of the categories  
As of 31.03.18

	Total	Offered product
Portfolio Managers – Equity	<input type="text"/>	<input type="text"/>
Analysts – Equity	<input type="text"/>	<input type="text"/>
Economists	<input type="text"/>	<input type="text"/>
Traders	<input type="text"/>	<input type="text"/>
Management	<input type="text"/>	<input type="text"/>
Client Service	<input type="text"/>	<input type="text"/>
Marketing	<input type="text"/>	<input type="text"/>

Risk management	<input type="text"/>	<input type="text"/>
Other investment professionals	<input type="text"/>	<input type="text"/>
Support/Clerical employees	<input type="text"/>	<input type="text"/>

### RFP Emerging Markets 2018

**Portfolio Construction**

**PLEASE MAKE SURE TO PRESS SAVE OR NEXT BEFORE CHANGING TAB, OTHERWISE YOUR INFORMATION MIGHT BE LOST!!!**

75. Please describe what universe securities are select from, and what type of securities are used.

76. Describe the benchmark(s) that are used for this strategy (if applicable).

77. Please state how many stocks you would normally hold in your portfolio.

78. Please state the historical average yearly turnover in percent in similar mandates (calculated as the lesser of buys and sells divided by average market value).

79. Please indicate the expected number of transactions per year and how they are normally distributed over the year.

80. Please indicate the relative importance of the following sources of value added (%)

The sum of the numbers entered must equal 100.

	%
Stock selection	<input type="text"/>
Sector allocation	<input type="text"/>
Country allocation	<input type="text"/>
Currency allocation	<input type="text"/>
Allocation to cash	<input type="text"/>
Others	<input type="text"/>

81. If you entered a value for 'Others' to the previous question, please specify here:

### RFP Emerging Markets 2018

**Portfolio Construction**

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82. Please indicate how much of the portfolio (market value) that is normally invested in companies not included in the previously stated benchmark (if applicable).

83. Please indicate the highest expected percentage of the portfolio (market value) to be invested in companies not included in benchmark at any single time (if applicable).

84. Would you normally use derivatives in the portfolio?

If yes, to what extent, which instruments and for what purpose (e.g. hedging, leverage, allocation)?

## RFP Emerging Markets 2018

### Portfolio Construction

**PLEASE MAKE SURE TO PRESS SAVE OR NEXT BEFORE CHANGING TAB, OTHERWISE YOUR INFORMATION MIGHT BE LOST!!!**

85. Do you have any constraints in the portfolio construction on how much you invest in any region/country/sector/company.

Please elaborate on the reason and the rationale for the constraint.

86. The investment directives may contain investment restrictions applicable to this mandate. Restrictions could for example be applied to the following:

- Tracking error
- Investment universe, ie investments outside the benchmark
- Country exposure
- Currency exposure
- Eligible Securities ie instruments other than stocks
- Allocation to cash
- Use of Derivatives
- Leverage
- Counterparty
- Others (please specify)

To what extent would restrictions on each of these areas have a negative impact on your ability to deliver the product? Please comment on each area, and state an acceptable range (or similar) for the suggested product.

87. Among other investment restrictions the Fund has a restriction not to hold more than 10% of the voting rights of the issuing organisation. Please describe how you monitor and report this kind of restriction.

## RFP Emerging Markets 2018

ESG

**PLEASE MAKE SURE TO PRESS SAVE OR NEXT BEFORE CHANGING TAB, OTHERWISE YOUR INFORMATION MIGHT BE LOST!!!**

88. Have you signed the UN Principles for Responsible Investment. Please share your thoughts on why you have chosen to sign/not sign the principles.

If signatory, please provide us with your latest PRI assessment report.

89.

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**File type restricted to: No file type restrictions.**

**File Name:** (limit 255 characters)

**File Description:** (limit 255 characters)

Files Uploaded:

90. Please provide us with any ESG-related (environmental, social and corporate governance) policies and description of investment beliefs that you have.

## RFP Emerging Markets 2018

ESG

**PLEASE MAKE SURE TO PRESS SAVE OR NEXT BEFORE CHANGING TAB, OTHERWISE YOUR INFORMATION MIGHT BE LOST!!!**

91. Please describe your in-house expertise regarding ESG-issues.

92. Please describe external expertise regarding ESG-issues that you use.

93. Due to the Fund's ESG-policy a limited number of companies and/or countries may be excluded from the investible universe. The Fund will be responsible for maintaining this list. Any tracking error arising from the discrepancy between the benchmark and the manager's eligible investment universe will be accepted. Do you foresee any difficulties accommodating these requirements?

94. Please comment on your current capabilities of including ESG-factors in your reporting?



### RFP Emerging Markets 2018

**Implementation**

**PLEASE MAKE SURE TO PRESS SAVE OR NEXT BEFORE CHANGING TAB, OTHERWISE YOUR INFORMATION MIGHT BE LOST!!!**

95. Please describe your trading process. Please be sure to cover who has the authority to initiate trades. For each person, please note their discretionary trading level. Who has authority to submit trades to a broker? Describe the process used to assess potential trades versus specific fund constraints.

96. How do you ensure best execution? Please also describe how trades are allocated across the various pools you manage. When is allocation determined, pre-trade or post-trade?

### RFP Emerging Markets 2018

**Product Performance**

**PLEASE MAKE SURE TO PRESS SAVE OR NEXT BEFORE CHANGING TAB, OTHERWISE YOUR INFORMATION MIGHT BE LOST!!!**

97. Please list the client benchmarks that you have in place for existing clients with similar mandates, including restrictions and risk/performance targets applying to the account(s)

	Benchmark	Investment restrictions	Outperformance target pa.	Tracking error range
1	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
2	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
3	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
4	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
5	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

98. If there were to be no tracking error restrictions applied to AP1's mandate, at what level of tracking error would you expect to provide for this product/mandate:  
 - the highest information ratio, and  
 - the highest outperformance.  
 If the strategy is not managed against any specific benchmark what is the expected return target and sharpe ratio.

99. Please describe the composite that you are providing data for:  
 - official name of the composite and how old it is  
 - Number, nature and size of accounts  
 - Benchmarks included in the composite  
 - Dispersion of tracking error and excess returns across accounts (annual average, maximum and

minimum over one, three and five years)

100. Please state if the performance numbers are compliant with GIPS or other standard (please specify).

101. Please give a short description of the models used and provide details of the methodology/formulas you use to calculate the risk and performance measures you report and monitor.

102. Please comment on the yearly performance numbers.

Please describe for the each year the outcome, reason and potential learning.

103. Comment on the five best and worst contributors to the excess return during 2017.

Please primarily comment on reasons, outcome and potential learning's of the exposure and secondary on the companies as in following example:

*"Five best contributors for 2017:*

*1. "New Corp.":*

*Nature of Business : "New Corp" is the world's largest diversified resources company with significant exposure in iron ore, oil and aluminum;*

*Reason : Benefited from continual rise in commodities prices, in particular, iron ore, crude oil and thermal coal;*

*Outcome(contribution) : +X.X %;*

*Potential learning : Limited supply (partly due to supply disruptions) and strong demand has helped sustain commodity prices at a higher level for a longer period. In turn, this has benefited the earnings of the mining companies..."*

104. Under what market conditions would you expect your process to deliver the best results?

Please describe why and when it can be expected to outperform/underperform?

## RFP Emerging Markets 2018

### Fee Structure

**PLEASE MAKE SURE TO PRESS SAVE OR NEXT BEFORE CHANGING TAB, OTHERWISE YOUR INFORMATION MIGHT BE LOST!!!**

AP1 has a preference for performance fees and encourage managers to submit proposals for both performance fee and flat. Please state the fees excluding VAT/sales tax, but please include a statement of the applicable VAT/sales tax rate. Also, please take into account the VAT/sales tax regulations on services provided from countries outside the EEC, if applicable.

105. Please describe your flat fee structure.

106. Please describe your performance related fee structure.

Elaborate on how you would propose to evaluate the strategy and how to structure an appropriate performance fee schedule. Including if applicable defining an alternative benchmark.

107. Are you are willing to implement a cap on the performance related fee?

- Yes
- No

108. Are you willing to implement a high watermark on the performance related fee?

- Yes
- No

109. Are you willing to implement a loss carry forward on the performance related fee?

- Yes
- No

110. Please enter fees at different mandate sizes.

Mandate sizes in mUSD. Please state flat/base fee in basis points and performance fee in percent.

	Flat fee	Base-fee	Performance fee
100	<input type="text"/>	<input type="text"/>	<input type="text"/>
200	<input type="text"/>	<input type="text"/>	<input type="text"/>
300	<input type="text"/>	<input type="text"/>	<input type="text"/>
400	<input type="text"/>	<input type="text"/>	<input type="text"/>
500	<input type="text"/>	<input type="text"/>	<input type="text"/>

111. Will you be charging VAT or any other sales tax or similar on top of the management fee?

- No
- Yes
- Uncertain, please specify

112. AP1 hs introduced a new fee model called Dynamic Fee. The idea behind the model is to further align the interest of asset owners and asset managers. At the outset an alpha target is set e.g. 2% . A fee is agreed upon e.g. 40 Bps, a floor is set e.g. 10 Bps and the evaluation period is defined e.g. 5 years. Every year the performance of the past five years is evaluated and if the manager has achieved the targeted excess return the full fee is payed out the coming year. If the manager fail to achieve the excess return, the fee is reduced pro-rata down to the floor fee as agreed. This process is repeated yearly.

This arrangement offers both the manager and the AP1 predictability on revenues and cost. It also offers an agreement on what is expected from the manager and the long term commitment from AP1. Would you be able to accomodate this kind of fee structure?

-- None --

113. Elaborate on your thoughts on the Dynamic Fee.

114. If you would accomodate a Dynamic Fee, what are your proposed parameters to set?

	Alpha target (%)	Fee Bps	Floor fee Bps	Evaluation period (Years)
Proposal 1	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Proposal 2	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

115. Are you willing to ensure that you will not charge/offer other customers (regardless of client type, geographic location or other client classification), with a comparable investment mandate in terms of size, market and constraints, lower fees without lowering the fees to the Fund accordingly?

- Yes
- No

116. Do you have a "most favoured nation" clause (as in the previous question) in place with any of your current clients for the specific product/mandate?

- Yes  
 No

## RFP Emerging Markets 2018

### Administration

**PLEASE MAKE SURE TO PRESS SAVE OR NEXT BEFORE CHANGING TAB, OTHERWISE YOUR INFORMATION MIGHT BE LOST!!!**

117. Please describe your work with the appointed custodian.

118. Transactions shall be confirmed to the Fund's custodian (JP Morgan) or clearing agent (for futures, currently JP Morgan) according to the routines and time frame specified by or agreed with the custodian/agent.

Will you be able to accommodate this requirement?

119. The manager must reconcile positions and bank accounts with the Custodian on a regular basis. Open items on positions and bank accounts shall be reported to the Fund. The Fund may require daily reconciliation depending on the activity in the portfolio.

Will you be able to accommodate this requirement?

## RFP Emerging Markets 2018

### Administration

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120. AP1 have outsourced the accounting of the mandate to the custodian. The manager must report transactions with full accounting details on trade date to the custodian. The manager will also have to reconcile the valuations of the account per month end with the custodian. The manager will also have to assist the custodian in solving differences, this have to be done within 7 business days after the end of the month.

Would you be able to accommodate this requirement?

121. The manager shall produce monthly and quarterly reports to the fund. The reports shall include

- Report with performance and risk figures for the month, quarter, YTD, One year, three years, five years (monthly).
- Management comments on the period and the upcoming periods. (quarterly)

The reports should be delivered to the Fund within 10 business days from close of period. The Fund will allow 15 business days for the management comments.

Will you be able to accommodate this requirement?

122. Please briefly describe how your back-office is organised and how your back-office staff normally communicate/interact with institutional clients similar to the Fund.

## RFP Emerging Markets 2018

### Risk Control / Management

**PLEASE MAKE SURE TO PRESS SAVE OR NEXT BEFORE CHANGING TAB, OTHERWISE YOUR INFORMATION MIGHT BE LOST!!!**

123. Please elaborate on how the risk control unit is organised, how long it has been established and to whom it reports. How do you ensure the unit's independence?

124. Please explain the methodologies for risk control of operational-, credit-, market and liquidity risks. The description should focus on how risk is integrated with the portfolio management, restricted and reported. Please specify models and systems.

125. Please describe your and your associates' top three compliance risks and how you and your associates are handling them.

126. Please describe any conflicts of interest between you, your associates, the Fund and any of your other clients/business partners.

127. The Fund expects to at least annually receive a written audit memorandum (such as SAS70/FRAG21) from the manager's auditors covering any findings related to the management of the mandate. Furthermore, the Fund may want to audit (by itself or through appointed auditors) the records, routines and supporting documents related to the mandate.

Will you be able to accommodate this requirement?

128. How are the investment directives and limits on e.g. counterparty- or instrument exposure imposed by the Fund monitored, reported and at what frequency? How will breaches be handled? How will you report breaches of limits or restrictions internally and to the Fund?

**129. Have you ever violated a client guideline?**

If so, please describe the violation and the resolution.

## RFP Emerging Markets 2018

### Other issues

**PLEASE MAKE SURE TO PRESS SAVE OR NEXT BEFORE CHANGING TAB, OTHERWISE YOUR INFORMATION MIGHT BE LOST!!!**

**130. Please list the investment managers you would expect to be your top 5 competitors for this mandate. Comment on each of them in respect of why you would expect to see them.**

1	<input type="text"/>
2	<input type="text"/>
3	<input type="text"/>
4	<input type="text"/>
5	<input type="text"/>

**131. The fund expects to calculate performance and risk measures on the portfolio from the first day of funding. What would be your preferred way of funding?**

- Receiving cash, or
- Receiving an index tracking portfolio, or
- Receiving your specified portfolio and the balance as cash

Explain why and – if relevant – state the estimated time needed to get the portfolio fully invested.

## RFP Emerging Markets 2018

### End of RFP

**PLEASE MAKE SURE TO PRESS SAVE OR NEXT BEFORE CHANGING TAB, OTHERWISE YOUR INFORMATION MIGHT BE LOST!!!**

**132. We would also appreciate any kind of feedback on this RFP process.**

Enhancements?  
Missing questions?

**133. You have now reached the end of the RFP. To finish entering your responses, click 'Done'. You may also go back to edit your responses.**

Thank you for your participation in our search and for completing this RFP!

If you have any additional comments, please enter them here:

