

Response to clarifications raised by applicants before November 14, 2024 by 23:59 p.m. on the Request for Proposal for Appointment of Portfolio Manager for managing SPFO's fund.

Sr. No.	Reference (Clause No / Page No.)	Content of RFP requiring clarification	Points of clarification	SPFO's response
1	Section 10, Clause (iii), Page No 48	Short-term Debt Instruments and Related Investments - Up to 5%	<p>Kindly specify the short-term Debt Instruments in which liquidity to be deployed</p> <p>Whether Seamen's Provident Fund has SGL a/c with RBI for Govt Securities (GSEC and SGS) or it is being operated through CSGL a/c with custodian</p> <p>Does the Seamen's Provident Fund have access to TREPs?</p> <p>In case the answer to the above is "No", whether the liquidity is managed through Overnight Fund of Mutual Fund schemes?</p>	<p>Under "Short-term Debt Instruments and Related Investments", deployment of funds in TREPS, Overnight / Liquid Mutual Funds and Term Deposit Receipts up to one year duration are allowed.</p> <p>SPFO invest in government security through CSGL account.</p>
2	Section 10, Clause (iv), Page No 48	Equity and related investments - Minimum 5% and up to 15%	Kindly specify the type of investment on this category – for example, investment through direct equity/ invested through diversified Equity Mutual Fund Schemes/ investment through Exchange Traded Mutual Fund Schemes (ETF)	Investment in equity is allowed in SBI Nifty 50 ETF and actively managed equity mutual funds.
3	Section 6, Clause 6.1.4.3, Page No – 17	Bidder, in advance, should get ready the bid documents to be submitted as indicated in the tender document / schedule and generally, they can be in PDF / XLS / RAR / DWF/JPG formats. Bid documents may be scanned with 100 dpi with black and white option which helps in reducing size of the scanned document	Kindly specify the maximum size of the documents to be uploaded for online submission of bids	If there is any restriction on the CPP portal for uploading of document, the same shall be applicable.

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4	Clause No 9.7 – Page No 46	AFFIDAVIT	Kindly let us know the Value of Stamp Paper on which Affidavit is to be notarised & submitted	Affidavit shall be submitted on stamp paper of Rs 500
5	-	-	<p>Sundaram Alternate Assets Limited (SA) is the SEBI Registered Portfolio Manager and Investment Manager for Category II and Category III Alternative Investment Funds. Our Company is the 100% subsidiary of Sundaram Asset Management Company Limited (SAMC).</p> <p>SAMC is the Investment Manager for Sundaram Mutual Fund. SAMC is not a SEBI Registered Portfolio Manager.</p> <p>For the purpose of making the bid, whether SA should independently satisfy the eligibility criteria prescribed in the RFP document or SA can also take into account the AUM, fund management experience, net worth etc., of our holding company - Sundaram AMC?</p>	The bidding entity needs to satisfy the requirement of AUM, experience & net worth as per the clauses of the RFP as applicable and required in the eligibility condition under section 7.1 of the RFP.
6	4.7	The Portfolio Manager shall be responsible for monitoring and sale of the investments forming part of legacy portfolio of SPFO allocated to it and incremental investments made during the tenure of appointment, as per the investment policy of SPFO (as amended from time to time). In case of premature sale of a security in the debt portfolio, the Portfolio Manager shall inform SPFO after completion of the transaction.	<p>1. Will the fund manager be responsible for managing only debt? Please clarify about the equity investments. Additionally, if the fund house offers an ETF, how will equity investments be handled?</p> <p>2. For equity investments, will a</p>	<p>1. As per clause 4.7 of the RFP, the bidding entity (portfolio manager) shall be responsible for making investments in debt as well as equity. Investment in equity is allowed in SBI Nifty 50 ETF</p>

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		<p>The Portfolio Manager shall be responsible for making investments in equity investment in accordance with the investment policy of SPFO as given in section 10 of this RFP (as amended from time to time) and the Agreement between Portfolio Manager and SPFO. Portfolio Manager will also be responsible for managing the legacy investments made in SBI – ETF Nifty 50 scheme and other equity / equity related instruments. The Portfolio Manager will provide MIS reports, statement of account and any other documents as required by the SPFO pertaining to the SPFO's investments in equities on a monthly basis.</p>	<p>separate fee quotation be required, or will the fee structure follow the legacy arrangements with SBI? If part of a combined fund, will the equity investment percentage be apportioned from your end?</p>	<p>and actively managed equity mutual funds.</p> <p>2. As per clause 8.4.1 of the RFP, the bidder is required to quote single fee. The investment guidelines is applicable for the incremental fund and the selected portfolio manager shall be responsible for allocating funds in the equity.</p>
7	4.19	<p>Ensure that it shall not purchase securities (excluding TREPS) of its Related Party in the Secondary Market. Further, this clause is not applicable to dealing on CCIL which is an anonymous online trading platform.</p>	<p>1. Will charges related to CCIL, TREPS, and CBRICS be considered part of statutory charges? Please elaborate/ what is included in the transaction charges and statutory charges?</p>	<p>All the charges shall be included in the financial bids except the statutory charges as mentioned in the clause 8.4.5 &amp; 8.4.7 of the RFP.</p>
8	4.11	<p>The Portfolio Manager shall provide legal assistance and take such steps as may be necessary to protect the pre-existing investments/ or investments made by predecessor Portfolio Manager prior to appointment of a new Portfolio Manager under this published RFP, becoming a non-profit/ bad investment by operation of law, order of court or otherwise in spite of prudent professional services. The Portfolio Manager shall take such steps as may be necessary to protect the investments so made without attaching any liability on its part. The Portfolio Manager may apportion the legal cost &amp; expenses to SPFO based on SPFO's portion of investment in the said security. However, it is made clear that the Portfolio Manager shall be answerable to</p>	<p>1. In cases of legal costs associated with existing non-performing investments (due to legal orders, operational issues, or other circumstances), who will bear the cost?</p>	<p>Legal costs mentioned in clause 4.11 shall be borne by SPFO.</p>

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		SPFO for any negligence on its part in performing the said services which is not a bonafide error of judgement.		
9			1. Can you please provide the details about your RBI account for government securities whether it'll be direct (SGL) or through constituent (CSGL)?	SPFO invest in government security through CSGL account.
10	7.2.1/26	Aggregate AUM of Long Term Debt Funds and Retirement Funds (non-owned funds) (Rs cr)	Will it include Passive Debt (Debt Index Fund) & Close Ended Debt Schemes with residual maturity above 3 years?	Please refer to definition of Long Term debt funds as mentioned in section 11 – Glossary/ Definitions of the RFP.
11	3.3/7	The Portfolio Manager will be managing both debt investments and equity investments.	Investment Management Fee will be as a percentage of total investment i.e Debt & Equity made during the year.	Please refer to clause 8.4.1 of the RFP. The bidder is required to quote single fee expressed s as a percentage of the investments.
12	10"/48	Equity and related investments	Can the Equity allocation be made to Active Equity MF Schemes?	Yes, Investment in equity is allowed actively managed equity mutual funds.
13	10"/48	Equity and related investments	Can the Equity allocation be made to direct equities ?	No. Investment in equity is allowed in SBI Nifty 50 ETF and actively managed equity mutual funds.
14	3.3 Page no. 7	The Portfolio Manager will be managing both debt investments and equity investments.	Please confirm whether both Debt & Equity Investments will be through discretionary PMS or managed separately as Debt through PMS and equity through ETF.	Funds will be transferred to selected portfolio manager for investment in debt and equity under discretionary PMS service. The investment in equity is allowed in SBI Nifty 50 ETF

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				and actively managed equity mutual funds.
15	4.21 Page no. 10	The Portfolio Manager shall not utilise the services of its Related Party for the purpose of any securities transaction, distribution, sale and purchase in the Secondary Market. Further, this clause is not applicable to dealing on CCIL which is an anonymous online trading platform.	Do we need to open - separate SGL account with RBI and CCIL member account for TREPS and NDS OM specific to SPFO's or we can trade through PMS account?	Investment guidelines followed by SPFO allows TREPS, overnight / liquid mutual funds and Term deposit receipt up to one year duration under the 'Short Term Debt Instruments & related investments'. Invest in government security is through CSGL account.
16	8.3.7 Page no. 39	Average of number of clients served under discretionary PMS for managing portfolio*** in the last five financial year (Clients with AUM of at least Rs 1000 crores shall be considered)  Please note that there should be a certification for the above by a statutory auditor	If there are no clients under discretionary PMS with AUM of at least Rs. 1000 Crores, can we do away with Auditor's certification or will it necessary to have an auditor's certification with "Nil" such Clients.	Yes. The auditor certificate is required even there are no applicable client as required in the RFP clause.. The bidder shall strictly adhere to the requirements under clause 8.3.7 of the RFP.
17	8.3.1 to 8.3.7 Page no. 35 to 39	Technical Bid Data  Please note that there should be a certification for the above by a statutory auditor	As MF industry data is publicly available and can be vetted easily by the advisors/consultants appointed by SPFO, can we do away with Auditor's certification as the cost of specific auditor's certification for these will be substantial in relation to the SPFO AUM to be managed and will add to the financial consideration by the applicants.	The bidder shall strictly adhere to the requirements under clause 8.3.1 to 8.3.7 of the RFP.

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18	8.2.11 Page no. 33 to 34	<p>Networth</p> <p>Please note that there should be a certification for the above by a statutory auditor</p>	<p>As MF industry data is publicly available and can be vetted easily by the advisors/consultants appointed by SPFO, can we do away with Auditor's certification as the cost of specific auditor's certification for these will be substantial in relation to the SPFO AUM to be managed and will add to the financial consideration by the applicants.</p>	<p>The bidder shall strictly adhere to the requirements under clause 8.2.11 of the RFP.</p>
19	7.2 / Page 25	<p><i>"Refer to excel named "Illustrations" and tab named 8.3.7.1 for illustrations to determine if a portfolio qualifies as a long term debt fund"</i></p>	<p>There is an excel named "1" with the RFP – is this the excel to be considered as Illustrations?</p> <p>Do we need to put any portfolio filters, such as a minimum % of Gsec investments, or do all funds with average maturity more than 3 years need to be considered for long term debt funds?</p>	<ol style="list-style-type: none"> <li>1. Excel File "1" represents "Illustrations excel" as mentioned in the RFP &amp; Excel File "2" represents "Technical Bid data" as mentioned in the RFP.</li> <li>2. Please refer to the definition of long term debt funds as mentioned in the section 11- Glossary/Definition.</li> </ol>