

Date: / /

2013 Second Overseas Discretionary Investment of Labor Retirement Fund

(Old Scheme)

Request for Service Proposal for

Global Real Estate Securities

The Labor Pension Fund Supervisory Committee ("LPSC")

RFP for Selection of Global Real Estate Securities Manager

Information Collection Form to be completed by candidates [The information below refers to the entity that does the actual investment management, unless otherwise indicated]

We are currently seeking to appoint two Global Real Estate Securities investment managers. To be included in our consideration, please complete the tables below (Sections B to C). Please endeavour to keep responses accurate and concise, abiding by the word limits specified in the questions (where relevant).

It would be appreciated if you can complete this document and reply in conjunction with other application documentations prior to the application deadline as specified in the Application Guidelines. Soft copy submission is required.

Section A – The Mandate

Mandate Profile

Size	US\$100 million per manager
Performance Target	To outperform the benchmark by 200 basis points p.a. (net of all fees and tax)
Risk target	Ex-ante and cumulative ex-post tracking error: not higher than 8% p.a. against benchmark return
Vehicle	Segregated portfolio

Mandate Benchmark

Asset Class	Strategic Allocation (%)	Proposed Benchmark Index
Global Real Estate Securities	100	FTSE EPRA/NAREIT Developed Index (Total Return ; Net Dividends Reinvested ; Unhedged ; Index measured in USD)

Proposed Product

Proposed Product	<for completion by candidate>
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For further details on investment guidelines and restrictions, please refer to separate document entitled 'Investment Guidelines for 2013 Second Overseas Discretionary Investment of Labor Retirement Fund (Old Scheme)'.

Section B – Data Collection Tables

<Insert Manager Name>					
1. Business					
B.1 Company history and organizational structure (In less than 200 words)					
B.2 Brief description of management team and its capability (In less than 200 words)					
B.3 Brief description of company culture (In less than 200 words)					
B.4 Briefly describe the level of resources dedicated into main area of business and this stated mandate (In less than 200 words)					
B.5 Firm-wide AUM and AUM for institutional clients	Year	Firm/group's total AUM		Total AUM for Institutional clients	
		(US\$ bn)		AUM (US\$ bn)	No. of clients
	2008				
	2009				
	2010				
	2011				
	2012				
	Up to 30 September, 2013				
B.6 Total assets (total AUM for all mandates) gained and lost	Year	Worldwide		For clients in Taiwan	
		Asset inflow (US\$)	Asset outflow (US\$)	Asset inflow (US\$)	Asset outflow (US\$)
	2008				
	2009				
	2010				
	2011				
	2012				

	Up to 30 September, 2013				
B.7 Proposed product's AUM and number of clients If any, please explain the reasons for client's termination since 2011.		Worldwide		For clients in Taiwan	
	Year	AUM (US\$ bn)	No. of clients	AUM (US\$ bn)	No. of clients
	2008				
	2009				
	2010				
	2011				
	2012				
	Up to 30 September, 2013				
	Reasons for client's termination since 2011:				
B.8 Proposed product's assets gained and lost	Year	Worldwide		For clients in Taiwan	
		Asset inflow (US\$)	Asset outflow (US\$)	Asset inflow (US\$)	Asset outflow (US\$)
	2008				
	2009				
	2010				
	2011				
	2012				
	Up to 30 September, 2013				

B.9 Revenue relating to asset management business, and contribution to the group/parent	Year	Revenue in the year	% contribution to the whole group or parent
	2008		
	2009		
	2010		
	2011		
	2012		
B.10 Profit of asset management business, and contribution to the group/parent	Year	Profit in the year	% contribution to the whole group or parent
	2008		
	2009		
	2010		
	2011		
	2012		
B.11 Details and % of employee ownership of the firm (as at end of year)	Descriptions:		
	Year	% of employee ownership	
	2008		
	2009		
	2010		
	2011		
	2012		
B.12 Please explain why the LPSC should appoint your organisation to manage the stated mandate in Section A, in preference to your competitors? What are the unique advantages of your organisation? (less than 200 words)			
B.13 Please discuss how you are able to absorb new business, ensuring that the interests of existing clients are not compromised.			

<p>B.14</p> <p>(a) For the 3 years ending the date which this RFP is submitted, has your organization breached any related regulation; involved in any penalty case by the regulatory authority; been named as a defendant in various legal proceedings (including those with clients); has received subpoenas in connection with government investigations or involved in the seek of compensation arising in the ordinary course of business? If yes, please provide details.</p> <p>(b) Please also provide details in relation to any major loss/ write-offs of your organisation over the past 1 year.</p> <p>(c) Please provide any latest developments related to the above to the LPSC during the evaluation process.</p>	
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B.15 Are these legal proceedings or investigations expected to have a material adverse impact on your financial condition or your ability to perform the service proposed? Please explain your policy to compensate investors if loss is incurred due to the above legal incidents.

B.16 Are there any notices to be given to prospective clients by the investment managers, required by your financial (securities) supervisory body? If yes, please provide (if no, please skip this question):

(a) The name of the supervisory body

(b) Important points in the notice (The related notice, including Chinese translation, will be delivered to the LPSC after signing the contract. The notice should be consistent with the guidelines of this mandate. When inconsistencies exist, the guidelines of this mandate shall prevail.)

2. Investment Professionals

B.17 Total number of investment professionals ¹ and average years of experience	Year	No. of Fund Managers	Avg. Yrs. of Experience		No. of Analysts	Avg. Yrs of Experience		No. of Other Investment Professionals	Avg. Yrs of Experience		Total no. of Professionals
			With Industry	With Firm		With Industry	With Firm		With Industry	With Firm	
			2008								
2009											
2010											
2011											
2012											
Up to 30 Septemb											

¹ Investment Professional is defined as any employees who are involved directly with or indirectly with the investment of the assets, i.e. including e.g. CIO, fund managers, analysts, economists, but excluding e.g. trader, dealer, back room staff and secretaries.

B.18 Total number of investment professionals related to the proposed product	er, 2013										
	Year	No. of Fund Manager	Avg. Yrs of Experience		No. of Analysts	Avg. Yrs of Experience		No. of Other Investment Professionals	Avg. Yrs of Experience		Total no. of Professionals
			With Industry	With Firm		With Industry	With Firm		With Industry	With Firm	
	2008										
	2009										
	2010										
	2011										
	2012										
	Up to 30 September, 2013										

B.19 Name of the key professionals of the proposed product for this client and their role	<Please provide brief CVs of the key people involved in the proposed product>		
B.20 Adequacy and appropriateness of resources required for investment activities			
B.21 Please highlight the skillset of the team members and how they complement each other (less than 200 words)			
B.22 Turnover for all investment professionals No. of joiners No. of leavers	Year	Number of Joiners	Number of Leavers
	2008		
	2009		
	2010		
	2011		
	2012		
	Up to 30 September, 2013		
B.23 Turnover of investment professionals related to the proposed product No. of joiners No. of leavers	Year	Number of Joiners	Number of Leavers
	2008		
	2009		
	2010		
	2011		
	2012		
	Up to 30 September, 2013		
B.24 Name of key departures, roles and the respective departure reasons			
B.25 Remuneration structure - Bonus as % of total compensation - Paid in the form of - Lock-up period or deferred benefits - Deferred Compensation (Please describe			

<p>the remuneration structures for the portfolio management team and the research team respectively, if they differ)</p>	
<p>B.26 Basis of discretionary bonus (e.g. what % is related to investment performance, team based or individual based, etc) and the funding source</p>	
<p>B.27 Key portfolio manager(s)' experience in managing the same or similar strategies. Please provide 2 relevant client references with contact information.</p>	
<p>B.28 Please highlight the key changes and developments to the team responsible for your proposed product in the past 36 months. (less than 200 words)</p>	
<p>B.29 How long has your current investment team responsible for the proposed product been in place? And how long has the key individual(s) been with the team? To what extent has your performance record shown in Section D been produced by the current investment team?</p>	
<p>B.30 How do you propose to notify the LPSC on changes to your team? (Communicate beforehand / notify beforehand / notify</p>	

after fact)	
3. Investment Process	
B.31 General descriptions of investment philosophy (In less than 500 words)	
B.32 Asset allocation process (In less than 500 words)	
B.33 Security research process (In less than 500 words)	
B.34 Portfolio construction process Please describe in detail how investment ideas are being bring into the portfolio and the interaction between portfolio manager and research analyst (In less than 500 words)	
B.35 Any changes to the investment process over the past 3 years in view of the changes in market environments (In less than 100 words).	
B.36 What is the methodology in selecting real estate securities? (In less than 500 words)	
B.37 Please highlight the competitive advantages and innovative elements of the proposed product (In less than 300 words)	
B.38 Risk management process - Please briefly describe the	

<p>following internal control and auditing procedures:</p> <ul style="list-style-type: none"> - Performance evaluation - Self regulating and ethics - Management of conflict of interest (including firewalls and confidentiality, etc) - Risk control in trading process (including the standard and principles of selecting brokers, principle of trade allocation, whether collective trade exists, etc) - Operational control - Internal auditing and monitoring scheme 	
<p>B.39 Target risk (tracking error, % p.a.) and performance of typical /model portfolio and proposed product</p>	
<p>B.40 Please briefly describe how the product utilise the tracking error allowed by the LPF to achieve the target return objective (in less than 300 words)</p>	
<p>B.41 Investment performance attribution analysis capability, method and explain way(s) to enhance the performance.</p>	

<p>B.42 How are transaction costs being managed so that the efficiency of the mandate is maximised? Do you incorporate the concept of “corporate governance” and “Socially Responsible Investing” into the stock selection process?</p>	
<p>B.43 Cost control and taxation for typical /model portfolio and proposed product</p>	
<p>B.44 Capacity management - What is the expected capacity given current resources with the firm and the key manager(s) for this mandate? Is there a mechanism in place to protect existing clients? (In less than 200 words)</p>	
<p>B.45 Does the use of derivatives by your firm during transaction process or related risk management mechanisms comply with domestic regulations? Could you please explain the internal control and internal audit mechanisms that your company has in place for the use of derivatives? Please include the following aspects in</p>	

<p>your explanation.</p> <ul style="list-style-type: none"> - The transaction process of derivatives (transaction process should include transaction analysis, decision making, execution and evaluation etc.) - The risk controls in place for the derivatives transactions - Are the segregated responsibilities of related people in derivatives transactions and its outsourcing covered by your internal audit and internal control? - Expected derivatives to be used in the proposed product - If the derivatives are used for non-hedging purposes, could you please indicate their expected stop-loss limit. 	
<p>B.46 Impact of dividends (in the case of dividend payments) on the portfolio and corresponding measures , for typical /model portfolio and proposed product</p>	
<p>B.47 Approaches and solution to investing in equity with low liquidity.</p>	

<p>B.48 Target average annual turnover (% p.a.) of typical /model portfolio and proposed product <i>Notes: Turnover defined as lesser of purchases and sales divided by mean value of portfolio = Min (Purchases, Sales) / Mean value of portfolio.</i></p>						
<p>B.49 Characteristics of the portfolio as at 30 September, 2013 (Please use FTSE definition)</p>	Market capitalization	% of fund	No. of securities	style	% of fund	No. of securities
	Large			REITs		
	Median					
	Small			Non-REITs		
	Total					
	Country Allocation				% of fund	No. of securities
Total						
<p>B.50 Arrangements and guidelines on security lending (e.g. lending volume, profit sharing, lending percentage, and return)</p>						
<p>B.51 In addition to institutional clients, what percentage of investment in the proposed product is from your firm or investment managers of your firm?</p>						

B.52 Please provide the annual dividend yield of the proposed product over the past 5 years or since inception (if less than 5 years track record)		
B.53 What major difficulties (if any) do you envisage in benchmarking against the proposed benchmark index?		
B 54. Please explain how would you add value through the use of Beneficiary Certification (if any)?		
B.55 Please explain how to add value through leverage position and non-benchmark allocation (if any)?		
B.56 When major investment events occur, what are the procedures your team would undertake and what are the results (please elaborate with actual scenario, if any)		
4. Service		
B.57 Primary servicing contact and location		
B.58 Lead and back-up portfolio manager and location		
B.59 Location of investment office		
B.60 Please highlight how you can demonstrate your commitment to the Taiwanese		

<p>market and will be able to provide a satisfactory level of client servicing if selected by the LPSC. (less than 200 words)</p>	
<p>B.61 Reporting capability (Please refer to the reporting requirements in the Investment Management Agreement and indicate whether you can meet these requirements)</p>	
<p>B.62 Providing client training and other services that can enhance clients' capability</p>	
<p>B.63 Your proposed fee as per the breakdown. Please state other fees (if there are any, e.g. custodian, administration etc.). Please confirm that you would derive no other remuneration (other than those listed) from this portfolio.</p>	<p>Total proposed fee: _____ (Please make sure that the quoted fee includes all fees in addition to investment management fee)</p> <p>Breakdown of total proposed fee</p> <p>Investment Management fee: _____</p> <p>Other fees (please specify): _____</p>
<p>B.64 Standard fee scales for institutional clients</p>	

Section C – Monthly Performance & Portfolio Breakdown

Please provide monthly returns (both gross and net of fees) since the proposed product's inception in US dollar terms (please indicate the fees that are deducted) and the corresponding benchmark returns as per the Excel spreadsheet provided separately. (Please also provide performance of relevant product if the performance for the proposed product is below 3 years)

In providing the returns, please describe the methodology behind.

Portfolio weights and returns by country should also be inserted into the Excel spreadsheet for calculation of standardised attribution analysis.

Where possible, the performance calculation and presentation should be abided by the GIPS or AIMR-PPS standard provided by the CFA Institute. Please clearly state whether the performance figures provided comply with the GIPS or AIMR-PPS.

Thank you, this is the end of the Information Collection Form - please provide the contact details of the person who completed this form for enquiry purpose.

Name: _____

Tel: _____

Email: _____