



## MARSHALL ISLANDS SOCIAL SECURITY ADMINISTRATION

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### **REQUEST FOR PROPOSALS (RFP) FOR Investment Advisory Services**

**RFP No. RFP-MISSA 2024-01**

**Opening date: September 19, 2024**

**Closing date: November 22, 2024**

The Marshall Islands Social Security Administration (MISSA) is accepting bid proposals from interested Financial Advisors and Investment Consultants for Investment Advisory Services.

Proposals must be received **no later than November 22, 2024**, by 5:00p.m. RMI Time (GMT+12). The proposals may be submitted electronically or by mail or by physical delivery to MISSA and addressed to:

Marshall Islands Social Security Administration  
Attention: Mr. Bryan Edejer, Administrator  
P. O. Box 175, Majuro, Marshall Islands, MH 96960

Please have "RFP-MISSA 2024-01" written on the outside of the envelope. If email is preferable, proposal must be sent to the following, with subject heading stating "Response to RFP-MISSA 2024-01":

**Mr. Bryan Edejer, Administrator at: [bryanedejer@rmissa.net](mailto:bryanedejer@rmissa.net) and cc:  
Mr. Avelino Gimao Jr., Corporate Officer at: [avelinogimao@rmissa.net](mailto:avelinogimao@rmissa.net) and  
Mrs. Anelie Sarana, Finance Manager at: [aneliesarana@rmissa.net](mailto:aneliesarana@rmissa.net)**

Proposals will be opened and reviewed in accordance with procurement policies specified in MISSA's Procurement Policy and Procedures and RMI Procurement Act, 2023. Strict confidentiality shall be kept until the awarding of the RFP. Any individuals, entities or agencies offering a proposal in response to this RFP agrees that the RMI Procurement Code Act, 2023 Procedures are binding on them in this bidding process. MISSA reserves the right to reject any or all bids and to waive any defects in bids if in its opinion the agencies' best interests are served by doing so.

## **BACKGROUND AND GENERAL INFORMATION**

### **INTRODUCTION**

The Marshall Islands Social Security Administration (“MISSA” or Administration”) is seeking proposals from investment advisors to provide non-discretionary portfolio management services for the Administration’s \$80 million investment portfolio outside the Marshall Islands. Proposals will only be considered from investment advisors who are registered with the U.S. Securities and Exchange Commission. This RFP is designed to present interested firms with the description of the Administration’s current investment program, the services we require, and a format for responding to our request.

### **BACKGROUND**

The investment of MISSA’s Retirement Fund is governed by Public Law 1990-75 (the Social Security Act of 1990), as amended, which tasked MISSA to administer the Marshall Islands Social Security Retirement Fund (the Retirement Fund).

The Retirement Fund was established to provide a financially sound social security system with pension benefits whereby workers would be ensured a measure of security in their old age and during disability, and whereby surviving spouses and surviving children of deceased workers would be ensured support after the loss of the family’s income.

The Administration’s primary investment objectives in order of importance are the preservation of principal, maintenance of sufficient liquidity, and a reasonable and competitive return. We are, therefore, seeking advisors who demonstrate extensive experience to provide certain services related to the investment of MISSA funds, investment advice, investment reporting, and review of the MISSA’s Investment Policy Statement (“IPS”) and procedures.

The Administration has separately contracted for securities clearing and safekeeping with a “Custodian”. All MISSA securities/mutual funds will be held by the Custodian in the name of MISSA. Day to day management responsibility for the investment program is delegated by the MISSA Board, as investment officer(s), to MISSA’s Investment Committee comprised of Board Members and executive managers. MISSA’s Investment Committee meets at least quarterly to review investment performance and strategy and the advisor is expected to attend these meetings in person or by Zoom or the equivalent.

### **MINIMUM SERVICE REQUIREMENTS**

The Investment Advisor shall:

1. Be a registered Investment Advisor as defined and regulated by the Securities and Exchange Commission and be registered with the State Securities Board in the state where its main office is located.
2. Be either completely independent of any financial institution or securities brokerage firm; or fully and continuously disclose any relationships with such financial institution(s) and/or securities brokerage firm(s), and further disclose any commissions, bonuses, or soft-dollar payments resulting from the firm’s relationship with the Administration.

### **SCOPE OF WORK**

The Investment Advisor shall:

1. Provide MISSA with the highest level of fiduciary standards in the management of the Administration's investment portfolio by acting solely in an advisory and administrative capacity within the guidelines of MISSA's IPS.
2. Comply with the laws of the Marshall Islands as well as the laws of the United States of America.
3. Review and recommend changes to MISSA's IPS. The IPS must contain sufficient detail to define, implement, and monitor the portfolio's investment strategy as follows:
  - The bodies of law governing the portfolio are identified;
  - The duties and responsibilities of all parties involved are defined;
  - The specific risk, return, and time horizon parameters are specified;
  - The diversification and rebalancing guidelines consistent with risk, return, and time horizon parameters are defined;
  - The due diligence criteria for selecting investment options are defined;
  - The procedures for controlling and accounting for investment expenses are defined; and
  - The monitoring criteria for investment options and service vendors are defined.
4. Review the present investment management procedures and documentation and propose improvements.
5. Assist in developing and implementing investment strategies that will enhance portfolio performance under current and anticipated changes in market conditions within the parameters of established investment policies and cash flow needs. Make presentations to MISSA's Investment Committee, as needed, to support recommendations relating to investment strategy.
  - Rebalancing procedures must be reasonable, documented and consistently applied;
  - An investment time horizon must be identified for each investment portfolio.
6. Provide periodic, timely assessments of the market including market reaction to economic events when applicable.
  - Provide capital market assumptions and review its outcome;
  - Expected return values used for modelling must be reasonable and aligned with actuarial assumptions.
7. Execute securities/mutual funds purchases/sales upon written instructions from MISSA.
8. Provide detailed monthly/quarterly/annual reports, in a format acceptable to the Administration, which include the following information on each security/mutual funds: par value, cost value, book value, market value.... etc.
  - Prepare periodic reports to compare investment performance to appropriate index, peer group, and IPS objectives;
  - Investment related fees, compensation and expenses must be fair and reasonable for the services provided.
9. Attend Investment Committee meetings (in person or virtually) and present quarterly performance reports which shall include current information regarding the creditworthiness of investments in the portfolio, total return comparisons of the Administration's portfolio to the established index for the quarter and since inception; and market commentary and future outlook as it pertains to the MISSA's portfolio.

## **RESPONSE FORMAT**

To facilitate comparisons between responding firms, please format your response to this request in the following order:

### ORGANIZATION

1. Describe the organization, date founded, and ownership of your firm as well as any subsidiaries and affiliates;
2. Describe the experience of the firm in serving as investment advisor;
3. Identify the types of accounts/clients primarily sought by your firm;
4. Describe any SEC or regulatory censure or litigation involving institutional business your firm conducts with investors currently or within the past three years;
5. Provide a list of previous clients which have dropped the firm as investment advisor over the last three years and provide the reason(s);
6. Provide copies of your ADV Parts I and II, as on file with the SEC, and proof of registration with the State Securities Board where your main office is located; and
7. Provide audited financial statements for the past 3 years.

### PERSONNEL

1. Identify the size of the firm's staff commitment to the public sector and the credentials of key personnel.
2. Identify the investment professionals who would be directly involved in providing services to MISSA.
  - Describe their relationship to your firm, their responsibilities, their experience in the investment business, their experience with public sector investment management, and the number of years they have been associated with your firm;
  - Have any of the above personnel ever been investigated for alleged improper, fraudulent, or unfair activities related to the sale of securities? If so, please provide details; and
  - What efforts does your firm make to keep its investment professionals informed of developments relevant to government investment managers?

### INVESTMENT MANAGEMENT APPROACH

1. Outline the steps that would be taken to ensure the Administration's objectives of safety, liquidity, and yield
2. What is your firm's experience in developing investment policies and portfolio strategies for governmental operating funds?
3. Describe the types of investment research utilized and the methods for making investment decisions, including maturity and selection;
4. What are the primary strategies for adding value to portfolios?
5. What performance benchmarks would you suggest for the portfolio?
6. Describe the daily procedures for portfolio review and client contact.

### REPORTING

Describe and submit samples of the reports that would be provided and their frequency. Include the methods and formulas used to calculate yield and performance.

FEES

Describe the proposed compensation for services.

REFERENCES

Provide a list of your five largest public sector clients, including contact persons and telephone numbers.

**PRESENTATIONS AND INTERVIEWS**

Face to face presentations and interviews may be conducted with all or a select few of the proposers after the proposals are evaluated. The Selection Review Committee may ask additional questions related to the proposal and the scope of work. The schedule of the time and location of the presentations and interviews, if required shall be announced not be later than Dec. 6, 2024.

In case there are new COVID-19 travel requirements and restrictions, presentations and interviews may take place virtually.

**TERM OF CONTRACT**

The proposed contract is for up to five years, beginning March 1, 2025, with an option to extend the contract for two additional, one-year terms.