

INVITATION FOR PROPOSALS: DIVERSIFIED INVESTMENT PORTFOLIO MANAGEMENT

OVERVIEW OF SAIGA

SAIGA is the Southern African Institute of Government Auditors operating on a non-profit basis to serve the public interest. Since its inception on 27 July 1988, the role and functions of SAIGA has been to serve the public sector and society by advancing public accountability and auditing in its widest sense.

As a professional body, SAIGA represents a unique brand of professionals, the Registered Government Auditor (RGA) in the public sector and in academia. The RGA is considered the highest professional designation within the public sector auditing (previously known as government auditing). We support the RGA professionals through Continuous Professional Development programmes, expert technical knowledge and advice, scientific research in accountability and accounting topics and other numerous programmes aimed at developing and advancing Competent public sector auditing and accounting professionals.

SAIGA operates within in an approved Constitution that ensures the independence of the Institution from its main stakeholders and furthermore sets out the principles and processes of good governance. The institute is governed by a duly elected Council consisting of ten members. An Executive Committee (EXCO) is elected.

SCOPE OF THE INVESTMENT PORTFOLIO

Over the years SAIGA has accumulated numerous investment portfolios. Service providers are invited to submit proposals for one of the institutions investment portfolios which is currently worth **R16 633 271.08**. In line with the investment policy of SAIGA, the prospective Portfolio management firm will be required to perform the following:

1. Monitoring the performance of SAIGA's investment portfolio in the market.
2. Managing the growth of SAIGA's investment portfolio in the short, medium and long-term.
3. Identification of SAIGA's investment objectives, constraints, and preferences.
4. Making an evaluation of portfolio income (comparison with targets and achievement).
5. Making revision in the portfolio.
6. Implementation of the strategies in tune with investment objectives.

OBJECTIVE OF THE INVESTMENT PORTFOLIO

The objective of the proposed portfolio management is to invest in a strategic split in Bonds and market portfolios in such a way that SAIGA maximize returns and minimizes risks to achieve the institutions' investment objectives.

The portfolio should have multiple objectives and achieve a sound balance among them. Any one objective should not be given undue importance at the cost of others. Presented below are some important objectives to be addressed by the portfolio management firm.

- **Stable Current Return:** Once investment safety is guaranteed, the portfolio should yield a steady current income. The current returns should at least match the opportunity cost of the funds of the institution.
- **Marketability:** The portfolio should consist of investments, which can be marketed without difficulty. It is desirable to invest in companies listed on major stock exchanges, which are actively traded.
- **Appreciation in the value of capital:** The portfolio should appreciate in value in order to protect the institution from any erosion in purchasing power due to inflation. In other words, a balanced portfolio must consist of certain investments, which tend to appreciate in real value after adjusting for inflation.

- **Liquidity:** The portfolio should ensure that there are enough funds available at short notice to take care of the investor's liquidity requirements.
- **Safety of the investment:** The first important objective of a portfolio, is to ensure that the investment is absolutely safe. Other considerations like income, growth, etc. will come into the picture after the safety of the investment is ensured.

SELECTION CRITERIA

SAIGA will do the adjudication after the proposal submission deadline. The selection criteria will include the following:

1. **Eligibility**
2. **Experience**
3. **Written references**
4. **Capacity**
5. **Proposed management fee**
6. **Detailed Investment plan/methodology**
7. **Estimated Return on investment**
8. **Value add to SAIGA's BEE profile**

SAIGA reserves the right to reject any and all proposals submitted. Proposals must be emailed to Accountant@saiga.co.za by 15 November 2021.