



**KWACHA PENSION TRUST FUND**  
**INVESTMENT ADVISORY CONSULTANCY**  
**TERMS OF REFERENCE**

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| <b>Assignment:</b>               | Investment Advisory for the restructure of the Kwacha Pension Trust Fund investment portfolio |
| <b>Duration of consultancy:</b>  | 27 <sup>th</sup> August 2018 – 24 <sup>th</sup> September 2018                                |
| <b>Deadline for Application:</b> | 20 <sup>th</sup> August 2018  |
| <b>Starting Date:</b>            | 27 <sup>th</sup> August 2018  |
| <b>End Date:</b>                 | 24 <sup>th</sup> September 2018   |

## 1. BACKGROUND

Kwacha Pension Trust Fund (KPTF) is a single employer defined benefit pension fund for the Bank of Zambia (BoZ). The Fund is regulated by the Pensions and Insurance Authority (PIA). The Fund's investment portfolio consists of Government Securities, Corporate Bonds, Equity Investments, Fixed Term Deposits, Cash and Cash equivalents, Collective Investment Schemes and Property Investments.

The Fund's investment objectives are as follows:

1. To preserve the actuarial value of the Fund assets in order to discharge its existing and prospective liabilities;
2. To provide liquidity to meet short-term, medium-term and long-term obligations, having regard to its expected cash flow requirements, including: payment of tax, PIA levies, lump sum benefits and monthly pension payments;
3. To earn a minimum required market returns on capital invested as advised by actuaries; and

4. To prudently manage risks associated with making, holding and realizing the Fund's investment, having regard to the Fund's objectives and its expected cash flow requirements.

Kwacha Pension Trust Fund is in pursuit of a qualified investment advisory firm to provide advisory services on the restructure the Fund's investment portfolio to ensure that it meets the investment objectives outlined as well as the regulatory requirements, in particular the provisions of the Pension Scheme Regulations Act and Statutory Instrument No. 141.

## **2. PROJECT OBJECTIVES**

The objectives of the project are as follows:

- I. To study the market for the investment opportunities available for the Fund;
- II. To advise on the restructure opportunities available to the Fund that will ensure the optimal portfolio that the Fund requires to meet its objectives;
- III. To provide a detailed financial forecast for the proposed restructured portfolio;  
and
- IV. To advise on the Fund's investment strategy for a three-year period.

## **3. SCOPE OF WORK AND EXPECTED OUTPUT**

The successful consultant shall produce the following outputs;

- I. A detailed market study of the investment opportunities available on the domestic and global market per asset class having due regard to the relevant regulatory provisions;
- II. A report on the restructure opportunities available for the Fund detailing the legal permissibility, physical possibility, financial feasibility analysis, costs and expected return;
- III. A financial forecast model, including scenario analysis for the proposed restructured portfolio;  
  
and
- IV. The strategic asset allocation for the Fund over the long term and the strategies available to achieve this.

#### **4. QUALIFICATIONS/ REQUIREMENTS**

- I. Investment advisory firm with local and global networks and extensive access to market information;
- II. An experienced team with proven success in portfolio optimization from each asset class, particularly, in the property investments;
- III. Familiarity with the Zambian regulatory framework and investment market – foreign firms are eligible to participate in this assignment and free to partner with local firms should they so wish;
- IV. Excellent analysis and presentation skills;
- V. The team capacity to execute the project objectives within the stipulated timeframe and
- VI. The lead advisors must possess suitable qualifications such as a Master’s Degree in Finance, Actuarial, Economics, Investment Management, Business Administration with a finance bias, Chartered Financial Analyst etc and must have at least 10 year’s relevant practical and traceable experience in advisory or investment portfolio management.

#### **5. ASSIGNMENT SCHEDULE**

The deadline for assignment proposals is 15.00 hours, Monday 20<sup>th</sup>, August 2018. The successful consultant will be advised on 24<sup>th</sup> August 2018 and will be expected to commence the assignment no later than 27<sup>th</sup> of August 2018 and complete the assignment by the 24<sup>th</sup> of September 2018. The successful consultant will develop submission timeline for each deliverable within the specified timeframe and progress will be monitored with the KPTF Chief Executive Office.

#### **6. CONTACT**

Proposals should address the project objectives, expected output and provide supporting documentation relating to the required competences and experience which include CVs of the team and summarized overviews of successful similar assignments. The proposals should also include the proposed fees for doing the assignment.

The proposals should be delivered to the Kwacha Pension Trust Fund offices and addressed to the :

The Chief Executive Officer  
Kwacha Pension Trust Fund  
Stand 5534, Corner Kakola/Libala Roads  
Kalundu  
Lusaka  
Zambia

Email address: [lilian.nachinga@kptf.org.zm](mailto:lilian.nachinga@kptf.org.zm)

Tel: **0211 291985/293241/42**