

PRIAMO PENSION FUND –request for proposal for the management of the resources of the Guaranteed Protection Compartment

Priamo Pension Fund: financial manager selection

The Board of Directors of Fondo Priamo – Fondo Pensione Complementare a Capitalizzazione per i Lavoratori Addetti ai Servizi di Trasporto Pubblico e per i Lavoratori dei Settori Affini – Pension Fund registration number 139, with assets of about 2 Billion Euros, divided into three financial compartments, met on October 13, 2021, in compliance with the statutory indications and the preliminary resolutions taken pursuant to art. 3 of the Resolution of the Supervisory Commission on Pension Funds (COVIP) of the 9th of December 1999, resolved to proceed, with the support of its Advisor, Link Institutional Advisory Sagl, to identify the subject to whom to entrust the financial management of the Guaranteed Protection Compartment.

1. Characteristics of the mandate to be assigned

The procedure for choosing the Financial Manager will be carried out in accordance with the provisions of Article 6 of Legislative Decree no. 252/2005 and the aforementioned COVIP Resolution. To this end, PRIAMO is searching for a Candidate to be entrusted with the financial management possessing the characteristics and investment profile illustrated in point E (the guidelines, the benchmark and the risk indicators **will be subject to the type of guarantee offered**).

- A. The Fund is divided into three Compartments and the Guaranteed "Protection" Compartment is the one, following the completion of the management agreement (hereinafter "Agreement") with the manager awarded the selection (hereinafter "Financial Manager"), object of this request for proposal. The Guaranteed "Protection" Compartment will be entrusted to a single financial manager.
- B. The net assets allocated to the services of the Guaranteed Compartment, as at 31/12/2020, amounted to approximately 430 million euros. The guaranteed value and the value of assets will be promptly determined at the closure of the current mandate. The data relating to the characteristics of the adherents to the Compartment, the distribution by age and gender, the detail by type of services provided may be requested from the Fund.
- C. The duration of the Agreement for the Financial Manager will be equal to 5 (five) years; however, the right of withdrawal and the possibility of extension will be specified in the Investment Management Agreement. The Agreement governing the relationship between the Fund and the Financial Manager will comply with the indications of COVIP and will contain, specifically, the indication of management objectives, adequate criteria for evaluating results and the withdrawal clause.
- D. The management must be aimed at achieving with high probability a return comparable with the rate of revaluation of the TFR (employee termination indemnity), over the time horizon of the duration of the Convention.

In addition, the management, in accordance with Legislative Decree no. 252/2005, with the General Directives of COVIP of 28/06/2006 and with the COVIP Communication prot. n. 815 of the 08/02/2007, must provide the following minimum guarantees:

- a. full return of the assets conferred, not considering management and guarantee fees (and any incentive fees, if any), as well as financial trading expenses;
- b. the guarantee referred to in point a.), must be valid at least till the end of the agreement and, in any case, at the occurrence of the events specified below for the adherents:
 - exercise of the right to the pension benefit as referred to in article 11, paragraph 2 of Legislative Decree 252/2005 s.m.i.;
 - death as referred to in article 14, paragraph 3 of Legislative Decree no. 252/2005;
 - permanent disability of the adherent that involves the reduction of the working capacity to less than one third as referred to in article 14, paragraph 2 of Legislative Decree no. 252/2005;
 - unemployment over 48 months as referred to in article 11, paragraph 4 of Legislative Decree no. 252/2005 s.m.i..

Any minimum returns or a higher number of events covered than those indicated above will result in obtaining a higher score during the evaluation phase of the applications.

The reference basis for calculating the value of individual positions for the guarantee purposes (at maturity and during the term of the Agreement) is the unit value of the share of the manager's portfolio, net of management and guarantee fees, and gross of charges not directly attributable to the manager (e.g. administrative and tax charges).

Notwithstanding the guarantees provided above, the Financial Manager undertakes to reinstate, for the portion of its competence, the difference between the minimum guaranteed value, as determined above, and the current value of the individual position.

The capitalization period is the one between the date of valuation of the contributions and the partial advances/redemptions and the day of valuation assumed as a reference for the purpose of calculating the benefit pursuant to the current provisions.

- E. The Manager, in the execution of this mandate, may invest in the financial instruments permitted by Ministerial Decree no. 166/2014 and subsequent amendments, in compliance with the following constraints:
- UCITs/ETFs provided that their use is adequately justified, in line with the limits and purposes of the legislation, does not entail additional costs compared to those provided for in the financial proposal submitted for the application, and without prejudice to the timely availability of all the information necessary for undertaking assessments.
 - derivative instruments only if listed – including those related to currency – for the purposes permitted as referred to in the Ministerial Decree no. 166/2014. In

operations concerning derivatives, moreover, the Manager undertakes to fulfil all obligations, its own and the ones on behalf of the Pension Fund, related to compliance with EMIR Regulation (EU) no. 648/2012.

It is required from the Candidates to draw up proposals appropriate to the achievement of the performance target and the aforementioned guarantees for the duration of the agreement. Specifically, Candidates may submit, at their discretion, proposals for one or both of the following types of management:

- "with market benchmark" - specifying the reference market indices of the strategy and the maximum limit of tracking error volatility

and/or

- "total return" indicating the initial allocation proposal and the related risk limits.

2. Participation Requirements

The subjects that may present their candidature (hereinafter also "the Candidates" or, singular, "the Candidate"), in addition to meeting the requirements of article 6, paragraph 1 of Legislative Decree no. 252/2005, are in possession, on the date of publication of this request for proposal, under penalty of exclusion, the following elements:

- branch or other stable establishment or operational site in Italy (of the Candidate or of the Candidate's group);
- third party AUM, i.e. assets covering the technical reserves of Rami Vita, not less than 3 billion euros;
- the interested managers must accept that the agreements signed are governed exclusively by Italian law and that, for any dispute, the Court of Milan is competent;
- Delegated management to third parties outside the Candidate's group will not be admitted.

3. Documentation to be sent to the Fund for participation in the selection

Interested parties may request, by the 20th of December 2021, at the following e-mail addresses: funzione.finanza@fondopriamo.it, (PEC) funzione.finanza@pec.fondopriamo.it the Questionnaire and the Financial Offer documents.

The documentation to be sent to the Fund, under penalty of exclusion, must be signed by the Candidate's legal representative, or by other legitimized subject, and must include the following documents:

- a. Self-declaratification certifying the possession of the requisites required for the submission of the application.
- b. Questionnaire completed in all its parts, in .xlsx format with selectable and copy enabled text.

- c. Any attachments of the Questionnaire in .pdf format.
- d. Financial proposal.
- e. Declaration of truthfulness and completeness of the data provided.
- f. declaration of consent to the processing of personal data pursuant to EU Regulation 2016/679 ("GDPR") for the purposes of the present Search.

The Documentation, referred to in points a; b; c; e; f, must be sent electronically to the following PEC address: funzione.finanza@pec.fondopriamo.it no later than **12:00 CET on 12/01/2022**.

The envelope containing the Financial Proposal (d) clearly bearing the external wording "OFFERTA ECONOMICA BANDO GESTIONE GARANTITA – FONDO PRIAMO", must contain the financial proposal for the mandate, to be presented by duly filling in the form relating to the management commissions and must, compulsorily, be formulated as a fixed all-inclusive commission, expressed as a percentage of the assets under management, and must reach the Priamo Fund, Via Marcantonio Colonna, 7, 00192 Rome, to the attention of the General Manager Alessandra Galieni, by **12.00 (CET) on 12/01/2022**, in a sealed envelope.

Any questions regarding the completion of the Questionnaire can be submitted to the Fund exclusively in written form no later than **12:00 on 20/12/2021** to the following e-mail address: funzione.finanza@fondopriamo.it, (PEC) funzione.finanza@pec.fondopriamo.it bearing the subject: "Selezione gestore garantito – quesito".

4. Selection Process

The Board of Directors of the Fund, on the basis of the evaluations of the information contained in the Technical Documentation received from the Candidates deemed suitable according to the Participation Requirements, will draw up a first short-list that identifies the most qualified subjects who will be invited to participate in a subsequent audition. Pursuant to Article 6, paragraph 6, of Legislative Decree no. 252/2005, these subjects must not be linked, directly or indirectly, to control relationships pursuant to art. 2359 of the Civil Code. Should the aforementioned situation occur, the Board of Directors of the Fund will exclude from the short list the subject or subjects with the lowest valuation. The request for participation to the audition will be sent only to the Candidates who have passed the first selection phase.

The second selective stage foresees direct meetings with the Candidates on the short list to be held in Italian language, with the aim of acquiring further elements and / or clarifications. The evaluation obtained in this phase complements the one obtained in the first phase. On this occasion, the Financial Proposal will also be taken into consideration, in accordance with the provisions of article 7, paragraph 3 of THE COVIP Resolution of the 9th of December 1999.

At the unquestionable judgment of the Board of Directors of the Fund a successful Candidate will be identified, subject to specific resolution and communication of the decision to the Candidate himself.

In the event of renunciation of the winning Candidate, i.e. in the event of failure to agree on and failure to sign the Management Agreement, the Board of Directors of the Fund reserves the right to reconsider the best candidates previously excluded.

The Fund reserves the right not to initiate new mandates if, at its own unquestionable judgment, the responses to this public request are not considered satisfactory.

With the successful Candidate, to whom the management is assigned, the Fund will then proceed to the stipulation a specific Agreement, which will regulate the relations between the Fund and the Manager. This Agreement will comply with the COVIP indications, will be subject to Italian law and drafted in Italian language. The Agreement will govern the Reporting obligations of the Manager with regard to its management choices and the progress of the mandate.

This announcement is an invitation to offer and not an offer to the public ex art. 1336 c.c..

This announcement and the receipt of any offer do not imply for the Fund any obligation or commitment to entrust the aforementioned service to any Candidates and, for them, any right in any capacity.

This notice is published on the website www.fondopriamo.it also in Italian. This document is a mere translation from the Italian, all misunderstandings that may arise are not responsibility of the Fund.

All the information on the Fund is available on the Fund's website, while the reference legislation may be found on the website www.covip.it.