

2019 Request for Proposal

Selection of Offshore Real Estate Fund Managers for US Mezzanine Strategy

Korea Post Savings hereby would like to announce the 2019 Real Estate Fund Manager Selection Plan for US Mezzanine Strategies. Managers who wish to participate should submit the proposal in accordance with the guidelines and requirements stated below.

1. Summary

Category	Description
Investment target	- Commercial Real Estate Mezzanine Loan * (Including Mezzanine, Preferred Equity, B-Note etc.)
Geography	- US(at least 50%) and OECD countries
Investment Structure	- Commingled Fund / Separate Managed Account
Target IRR	- Gross IRR 7%(based on USD)
LTV	- No more than 85% at asset level(below 80% in average)
Leverage Limits	- Maximum leverage of 50%
Loan Maturity	- Maximum 10 years
Loan Size	- No larger than 25% of total portfolio
Korea Post Commitment	- Approximately total of USD \$30 0million / 2 managers(can be more or less)
Selection Process	- Open RFP with both quantitative and qualitative evaluation
Funding Method	- Capital Call
Fund Structure	- Closed end
Requirement	- Managers must make a distribution agreement with a registered local distributor - Commingled Fund Managers are required to enter a separate service agreement with Korea Post's service agent for efficient local administration

2. Qualification

Category		Description
Real Estate AUM		- At least USD 7billion
Investment	Commingled Fund	- Target fund size : at least USD 500million
Structure	SMA	- Co-investment with overseas investors(public/private pension, insurance companies etc)

3. Selection Process and Schedule

- (Selection Process) RFP announcement → Proposal Submission → 1st Quantitative Evaluation → 2nd Qualitative Evaluation (Presentation at Korea Post) → On-site Due Diligence → Final Selection → Contract agreement

- Selection Schedule

Date	내 용	Remarks
April 19th, 2019	- RFP Announcement	KP Asset Website (www.koreapostasset.go.kr)
May 7th, 2019	- Deadline for Proposal Submission	
May 2019	- 1st Evaluation & Selection for 2nd Evaluation	To be individually notified
May 2019	- 2nd Evaluation	
June 2019	- On-site Due Diligence	
June 2019	- Final Selection (Investment Committee)	

※ Schedule may be subject to change depending on Korea Post's internal situation

4. Application and Submission

- (Application) Proposal submission in both hard & soft copy(e-mail)) to the indicated address by deadline

- **(Hard-Copy)** Total 3 copies to be submitted in person or by registered mail(Refer to 'Inquires and Contact Information)
- **(Soft-Copy)** Proposal files should be saved and submitted via email with below file format
 - * File name : Date(YY/MM/DD)_Company name_2019 Korea Post Real Estate Fund Proposal(Kor/Eng/Excel)
 - ** Both hard-copy and soft-copy must be submitted
- **(Proposal) 1 Proposal(Korean/English) 1 Excel Template(Korean/English)**
 - * Proposals have no standard format. However, documents must include all information per evaluation criteria(Including attached 'Proposal Overview' and 'Representation Letter')
 - * Proposal and excel must include consistent information and data
 - * 2nd evaluation candidates must submit separate presentation materials(to be individually notified)
- **(Submission) Submit in person or via registered mail(Soft-Copy must be submitted)**
- **(Deadline) : '19. 5. 07.(Tuesday), 18:00 (KST)**
 - * Proposals must be submitted in person or delivered by deadline, before 18:00
- **(Others) Proposals should be submitted through a local distributor**

5. Inquires and Contact Information

- Jong-Hyeon Lee
 - Korea Post Savings Bureau, Alternative Investment Division
 - e-mail : hyun030301@korea.kr
- Eunah Kim
 - Korea Post Savings Bureau, Alternative Investment Division
 - e-mail : rainbowkea@korea.kr
- ※ Address for **Hard-Copy(Proposal)** : 8th Bldg, Government Complex, Sejong,(30114)
Korea Post Savings Bureau Jong-Hyeon Lee
- ※ Soft-Copy(e-mail) must be sent to both hyun030301@korea.kr and rainbowkea@korea.kr
(Inquires will only be available via e-mail)

6. Notes

< Conditions for exclusion >

- If there are concerns over legitimate fund management due to a history of sanctions including warning from financial authority for violation, non-compliance, etc. over the past 5 years.
- If key professionals or CEO had been subject to sanctions from financial authority including salary reduction, etc. over the past 5 years
- If there are concerns over financial instability such as long-term(more than 3 years) capital impairment

< Conditions for abolition >

- If the manager cannot accommodate investment criteria of Korea Post and therefore is unable to take follow-up measures, including agreement on articles of association
- If fund establishment is delayed without any legitimate reason, or if the fund is not registered to the relevant jurisdiction(Financial Supervisory Service)
- If it is determined that the manager will not be able to manage the fund due to violation of laws and ordinances or executory correction order
- If significant grounds for exclusion are identified subsequent to selection, in addition to any change to key criteria of proposal such as change of key man, that could significantly impact fund management
- If the proposal documents are found to be untrue and under manipulation due to deliberate or critical omissions
- If Korea Post cannot proceed with its investment plan due to special circumstances

< Sanction >

- In addition to abolished managers, managers whose proposal documents are found to be untrue or manipulated will be restricted from Korea Post's commitments to maximum of three years from the date of violation

7. Evaluation

【 1st Evaluation Criteria 】

Category	Evaluation Criteria
Financial Stability (20)	1. Number of years since establishment of company
	2. Total AUM(USD) for Real Estate
Investment Team & Professionals (30)	1. Experience of key professionals
	2. Number of key professionals
	3. Number of professionals in the dedicated team for the proposed fund
Investment Performance (50)	1. AUM for Real Estate Mezzanine Loan fund
	2. Performance for Real Estate Mezzanine Loan fund
Others	1. Percentage of overseas investors' commitment for co-investment(SMA only)

【 2nd Evaluation Criteria 】

Evaluation Criteria(Consideration)	Score	Remark
1. Investment Experience <ul style="list-style-type: none"> o Experience and track record o Fundraising track record for institutional investors and Korean investors o Investment experience related to the proposed strategy o Other information related to relevant investment experience 	10	
2. Investment Professionals <ul style="list-style-type: none"> o Expertise of investment and research professionals(historical performance, certificates, awards) o Compensation system o Other information related to professionals 	15	
3. Investment Decision-Making Process <ul style="list-style-type: none"> o Rationality and transparency of decision-making process o Expertise of investment committee and adequacy of the decision making process o Feasibility and stability of investment structure o Deal sourcing, due diligence, portfolio construction, monitoring system o Other information related to decision-making process 	15	
4. Investment Strategy <ul style="list-style-type: none"> o Alignment with Korea Post's investment policy o Superiority and feasibility of investment strategy o Stability of portfolio asset o Other information for investment strategy 	20	
5. Risk Management <ul style="list-style-type: none"> o Risk Management System (policies, standardization, specialization, objectivity of risk measurement) o Independence of risk management team (degree of participation of risk management team into the decision-making process) o Other information for risk management 	15	
6. Major Term <ul style="list-style-type: none"> o Rationality of management/performance fee o Measures to prevent conflicts of interests with investors and protect investors interests o Priority of co-investment offers o Other major terms 	15	
7. Client Service <ul style="list-style-type: none"> o Client Service Team o Market research materials o Availability of Korea office & Korean full-time staff o Other client service information 	10	
합 계	100	

👉 Scoring Method : 10points **【A(10) ,B(8), C(6), D(4), E(2)】** 15points **【A(15) ,B(12), C(9), D(6), E(3)】**
20points **【A(20) ,B(16), (12), D(8), E(4)】**

※ Final score is calculated by adding the total scores of each criteria which is the average score excluding the highest and lowest points

8. Others

- ☐ Applying managers and local distributors should submit contact information(company, title, name, email) to the above email 5 days prior to deadline
- ☐ All information provided should not contain any false information. Applying GP may be asked to attach verification documents for certain information. Upon final contract, Korea post may verify proposed information via separate entity
- ☐ If any of the proposal documents are found to be untrue or deliberately manipulated, the applying GP may be disqualified and face penalties such as restriction of future commitment

2019. 04. 19.

우 정 사 업 본 부 장

<p>2019 Korea Post US Real Estate Mezzanine Loan Fund Proposal</p>
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2019. 00. 00.

(Name of GP)

Proposal Overview

1. Company Information	Company		
	CEO		
	Establishment Date		
	Vintage of Initial Real Estate Fund		
	Address		
	No. of Employees		(Total) (Real Estate)
	Contact	Title	
		Name	
		Tel	
		e-mail	
	AUM	Total	
		Real Estate	
	Sanctions from Regulatory bodies(within 5yrs)		
Impairment of Capital (at least 3years)			
No. of Employees at Korean office			
2. Investment Proposal	Fund Size		
	Target IRR		
	Fund Term		
	Geography		
	Invesment Strategy		
	LTV / Leverage		
	Loan Maturity(Max)		
	Loan Exposure(Max)		
	Co-investment investor(SMA)		
	Fee Structure		<ul style="list-style-type: none"> Management Fee Performance Fee

3. Investment Professionals	<ul style="list-style-type: none"> ▪ No. of Fund dedicated professionals (Key professionals :) ▪ Average years of investment experience of key professionals : yrs ▪ Punishment records for CEO or key professionals for last 5years : 				
4. Local Distributor	Company				
	Address				
	CEO			Registration No.	
	Contact	Department		Office Tel.	
		Title		Mobile	
		Name		E-mail	
	No. of Managing Funds			Total AUM	
<p>We hereby confirm that all the information provided in our application documents is true and correct to the best of our knowledge and have no objection to making use of the information provided during the evaluation process</p> <p style="text-align: right;">2019. . .</p> <p style="text-align: right;">Company(GP) Representative : (Signature)</p> <p style="text-align: right;">Distributor Representative : (Signature)</p> <p style="text-align: center;">우정사업본부장 귀하</p>					

Representation Letter

Upon the application in response to the RFP by Korea Post for US Real Estate Mezzanine Loan Strategy, we, hereby confirm that all the information provided in our application documents is true and correct to the best of our knowledge and belief.

We undertake that we shall provide full support for any additional inquiries arisen by Korea Post during the evaluation process and also agree that Korea Post may contact the relevant institutions or entities in order to validate the submitted information such as performance of funds, compliance, etc. We also agree not to claim or object to Korea Post's decisions including selection method and evaluation results.

We acknowledge that any materially false or misleading information presented by us may cause us adverse actions, including but not limited to revocation of selection, exclusion from future RFP invitations and/or reparation for the damage, if any awarded by a court of competent jurisdiction.

2019. . .

GP Representative (Signature)

Distributor Representative (Signature)

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