

# 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 Structure	Commingled Fund	- Target fund size : at least USD 500million
	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](mailto:hyun030301@korea.kr)
- Eunah Kim
  - Korea Post Savings Bureau, Alternative Investment Division
  - e-mail : [rainbowkea@korea.kr](mailto: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](mailto:hyun030301@korea.kr) and [rainbowkea@korea.kr](mailto: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
<b>Financial Stability</b>  (20)	1. Number of years since establishment of company
	2. Total AUM(USD) for Real Estate
<b>Investment Team &amp; Professionals</b>  (30)	1. Experience of key professionals
	2. Number of key professionals
	3. Number of professionals in the dedicated team for the proposed fund
<b>Investment Performance</b>  (50)	1. AUM for Real Estate Mezzanine Loan fund  2. Performance for Real Estate Mezzanine Loan fund
<b>Others</b>	1. Percentage of overseas investors' commitment for co-investment(SMA only)

## 【 2nd Evaluation Criteria 】

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

☞ 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.

우정사업본부장

2019 Korea Post  
US Real Estate Mezzanine Loan Fund  
Proposal

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"> <li>▪ Management Fee</li> <li>▪ Performance Fee</li> </ul>	

3. Investment Professionals	<ul style="list-style-type: none"> <li>▪ No. of Fund dedicated professionals (Key professionals : )</li> <li>▪ Average years of investment experience of key professionals : yrs</li> <li>▪ Punishment records for CEO or key professionals for last 5years :</li> </ul>
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4. Local Distributor	Company				
	Address				
	CEO		Registration No.		
	Contact	Department		Office Tel.	
		Title		Mobile	
		Name		E-mail	
	No. of Managing Funds			Total AUM	

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

2019. . .

Company(GP) Representative : (Signature)  
Distributor Representative : (Signature)

우정사업본부장 귀하

## 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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