

2018 Korea Post Request for Proposal for Overseas Co-Investment PEF

Korea Post hereby would like to announce the fund manager selection plan for Co-investment Strategy for the year 2018. Fund managers who wishes to participate should submit the proposal in accordance with the guidelines and requirements stated below.

1. Summary

Category	Contents
Number of Investment Funds	· 2 funds
Total Commitment of Korea Post	· Korea Post (Insurance, Savings) total USD 200mil (2 managers) * After evaluation, commitment amount will be allocated considering fund size etc.
Investment Strategy	· Global Co-investment strategy * Hedge Funds, Real estates strategies are excluded
Qualification	· As of submission date, Co-Investment managers who manages commingled fund products or SMAs and who are registered or is eligible to register as foreign investment vehicle under Korean Financial Investment Services and Capital Markets Act(FSCMA) · Managers should make an exclusive distribution agreement with registered local distributors for proposing the fund
Selection Process	· Review in bloc & screening with open RFP
Investment type	· Blind

2. Selection Criteria

Category	Contents
Strategy	<ul style="list-style-type: none"> Overseas Private Equity Co-Investment
Qualification of GP	<ul style="list-style-type: none"> GPs that are currently managing Co-investment commingled funds or are managing Co-investment SMA
Fund Structure	<ul style="list-style-type: none"> Commingled fund
Korea Post Commitment	<ul style="list-style-type: none"> Korea Post (Insurance, Savings) total USD 200mil (total 2 managers) * After valuation, commitment amount will be allocated considering fund size etc.
Fund Termination	<ul style="list-style-type: none"> 10 years from final closing(subject to extension under the agreement with LP)
Investment Period	<ul style="list-style-type: none"> 5 years from final closing(subject to extension under the agreement with LP)
Funding Method	<ul style="list-style-type: none"> Capital Call
Leverage	<ul style="list-style-type: none"> Less than 50% (fund level leverage, Credit facility will be included)
Management Fee	<ul style="list-style-type: none"> Maximum 100bp of total committed capital. * Subject to change according to market situation & no prepayment * Apply an average management fee for periodic differential rates
Performance Fee	<ul style="list-style-type: none"> Preferred return : IRR of 7% and above Performance Fee : Maximum 15% of performance over the Preferred return(catch-up allowed) * Subject to change according to market situation
Multi-Closing	<ul style="list-style-type: none"> If necessary, late fee rate between existing LP and subsequent LP can be decided considering market interest rate and market case. Final closing date will be less than 1 year after initial closing date.(LP negotiable)
GP Commitment	<ul style="list-style-type: none"> Minimum 1% of total committed capital of LP
Local Distributor	<ul style="list-style-type: none"> Designated as a local distributor at the time of proposal submission Local distributor must submit 4 times yearly including portfolio details, performance, on-going issues and market outlook * Managers with non-exclusivity under the distribution agreement with local distributors or complicated distribution structure due to the multiple agencies that can hinder efficient post management service could be excluded.
Others	<ul style="list-style-type: none"> In case any of the proposal may be subject to change after the final selection, managers should ask Korea Post for prior approval. Furthermore, managers could be excluded in case the change does not align with Korea Post's investment purpose. And managers will be responsible for the exclusion. * Any unfavorable changes to the Korea Post is not allowed for major contents(investment strategy, fees, Key Professionals etc.)

3. Selection Process and Schedule

□ (Selection Process) RFP announcement → Proposal submission → 1st Quantitative Evaluation of Proposal → 2nd Qualitative Evaluation(Including presentation at Korea Post) → On-site Due Diligence → Final selection

□ Selection Schedule

Date	Process	Remarks
2 March 2018	RFP Announcement & Posting	To be posted on the Korea Post webpage(www.koreapostasset.go.kr)
16 March 2018	Application deadline	
March 2018	1 st Evaluation and selection for the candidates passed for the 2 nd Evaluation	
March 2018	2 nd Evaluation(To be noticed to selected candidates)	Number of selected candidates will be about 3 times of actually selected.
April~May 2018	Due Diligence	
May 2018	Investment Committee for Final Selection	

* Schedule may be subject to changes according to Korea Post's internal situation of Korea Post. Also, Korea Post may not proceed with the investment if proposals do not align with the investment objective of Korea Post

4. Application and Submission

< Notes >

◇ All submitted documents will not be returned to the applicants and submitter will be responsible for all of the submitted documents. Also, Korea Post will not be able to provide non-disclosure agreement during the submission stage. Therefore, please leave the location of business, trade size, counterparty and etc. of portfolio anonymous for those who need to be left confidential

- (How to apply) Proposal(attached file) submission* and Soft-Copy(e-mail) must be submitted to indicated location by deadline
 - * Proposal(Korean, English), Excel(Korean, English) 1 set
- (HardCopy) 3 copies of proposal, In-Person submission or by registered mail (please find inquiries and contact address)
- (SoftCopy) Submission by designated file name
 - * File name format :
Date(YY/MM/DD)_Company_2018 Korea Post PEF Proposal(Korean/English/Excel)
 - * Proposals should follow the attached format and be submitted to the indicated location by deadline.
 - * Managers for 2nd Evaluation must prepare separate presentation materials(to be noticed individually)
- (Deadline) : '18. 3. 16.(Fri), 18:00 (Seoul time)
 - * Must arrive by 6:00pm on the deadline date
- (Others)
 - Proposals should be submitted through a local distribution agent as per Korean regulation

5. | Notes

< Exclusion >

1. As of the proposed fund establishment date, managers who have committed for the same strategy from Korea Post could not deploy at least 60% of the total commitment.(Only same strategy will be applied.)
 - * Exception applies in case the dedicated management team differs from the prior fund management team
2. In case the fund management deteriorates and is determined that the manager will not be able to manage the fund
3. In case the number of key professionals including the major fund manager

totals under 2 personnel

4. In case it is determined that the manager will not be able to manage the fund due to any sanctions above organization warning within 5 years for violation of laws or if the manager has not carried out correction order
5. In case the key professionals and the company CEO applied sanctions above disposition of salary reduction from financial supervisors during the last 5 years
6. In case the financial solvency has been decreasing due to long-term impairment of capital for more than 3 years

< Abolition >

1. If the manager cannot accommodate investment criteria and therefore is unable to take follow-up measures, including agreement on articles of association
2. If the fund is not established for an unreasonable period of time or is not registered to 'Korean Financial Investment Services and Capital Markets'
3. 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
4. If the manager is disqualified or an impact that has significant influence on the management occurs after the final selection
5. If the proposal documents are found to be untrue and under manipulation due to deliberate or critical omissions
6. If the current investment plan must be cancelled due to Korea Post unforeseen circumstances

< Sanction >

- o In case where managers had been abolished and the proposal documents of

the managers who had been abolished are found to be untrue or manipulated, commitment will be restricted to the maximum of three years from the date of violation

6. Evaluation

【 1st Evaluation Score Chart 】

Evaluation Criteria	Index	Score
1. Management Stability	debt ratio, operation balance ratio, years of experience, history etc.	10
2. GP Capability	accumulated AUM, number of investments, performance etc	70
3. Capability & Stability of Managers	Years of experience of Key personnel, number, turnover	20

【 2nd Evaluation Score Chart 】

Evaluation Criteria	Score	Consideration
1. Management Experience	10	<ul style="list-style-type: none"> · Experience in relevant field(Co-investment) · Institutional client base(including Korean investor) and network
2. Managers	15	<ul style="list-style-type: none"> · Key Professionals and continuity · Organization for Key Professionals(Seperate Team, other organization structure etc.) · Compensation System(Team work, recruiting personnel & efficient incentive scheme) etc.
3. Deal Sourcing Network	20	<ul style="list-style-type: none"> · Superiority of Network for Deal Sourcing · Synergy with Primary investment
4. Portfolio Constitution	20	<ul style="list-style-type: none"> · Proper valuation of the portfolio company · Practicality of portfolio company operation and Exit plan · Stability of access for each investment sector · Investment access for different Market Cap of the Portfolio Company(Presenting EV criterion) and propriety for allocation * Small-Middle-Large Cap portfolio constitution plan
5. Investment	10	<ul style="list-style-type: none"> · Rationality & transparency of decision-making process,

Decision-Making Process		Professional decision-making structure & Propriety in decision-making method
6. Risk Management	15	<ul style="list-style-type: none"> · Risk Management System(Risk management policies, standardization, business specialization, objectification of risk measurement) · Independence of Risk Management Team(Risk management team's reflection on decision-making process) etc. · Dedicated risk management team
7. Major Term and post management	10	<ul style="list-style-type: none"> · Initiate management techniques and other service plan as to investment management · Post Management plan and convenience · Dividend structure, Fee Structure · Resolution to prevent conflict of interest with LPs, LP protection of rights and interest · Clawback and Keyman Clause
Total	100	

7. | Inquiries and Contact

(Contact) Korea Post Insurance Bureau

- Ju Sam Aeol, Assistant Director
(+82-44-200-8694 ju3102@korea.kr)

(Address) 8th Building, Government Complex,
19 Doum 5-ro Sejong
Korea Post Insurance Bureau(Zip code : 30114)

8. | Others

- Applying GPs or distributors must submit the contact information of the person in charge (name of the company, title, name, email) to the above email address.

- All the information provided does not contain any false information, and the applying company will comply with Korea Post Insurance in verifying all provided information; in some cases, the applying company may be asked to provide an official document substantiating the information. Upon final agreement, Korea Post Insurance may verify the information via separate entity

- The company understands provision of any false information, or the company is deemed uncooperative in provision of any information by Korea Post Insurance, it may be disqualified, excluded from future RFPs, and make reparation, and will accept any ramification

2018. 3. 2.

우 정 사 업 본 부 장

별첨 펀드제안서 양식(국문) 1부
펀드제안서 양식(영문) 1부
엑셀 양식 1부

2018 Korea Post Overseas Private Equity Fund
Co-Investment Strategy Proposal

2018. 3. .

(Name of GP)

Proposal Overview

1. Company Information	Company			
	Founder/CEO			
	Establishment Date			
	Inception Date of Initial Fund			
	Address			
	Contact	Title		
		Name		
		Tel		
		e-mail		
	Branch in Korea			
	No. of Employees		Total OO / Key Professionals OO * Only Co-investment related	
AUM				
Co-Investment AUM				
Sanctions from regulatory bodies				
2. Proposing Fund	Target IRR			
	Investment Period			
	Geographies			
	Investment Strategy	Geographies	Deal Size	
	Portfolio company EV (Enterprise Value)	Small Middle Large Mega		
	Fee Structure	<ul style="list-style-type: none"> ▪ Management Fee ▪ Performance Fee(carried interest, performance fee, Catch-up) 		
3. Management Team	<ul style="list-style-type: none"> ▪ No. of Portfolio Mangers : ○ (No. of Key Professionals: ○) ▪ Key Professionals Experience : ○ years 			
4. Local Distributor	Name			
	Address			
	CEO		Registration No.	
	Contact	Department	Office Tel.	
		Title	Mobile	
		Name	E-mail	

	No. of Managing Funds		Total Commitment	
<p>We hereby confirm that all the information provided in our application documents is true and correct to the best of our knowledge and belief and have no objection on making use during the evaluation process</p> <p style="text-align: right;">2018. . .</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 overseas Co-investment 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 made 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.

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.

2018. . .

GP Representative (Sign)

Distributor Representative (Sign)

우정사업본부장 귀하

I . General Information

1. Company Overview

Name					
HQ. Address					
Founder/CEO				Establishment Date	
				Inception Date of Initial Fund	
Personnel	No. of Employees		Contact	Name/Title	
	Fund Managers			Tel/Fax	
	Administration			E-mail	
History					

2. Global Offices (Headquarter/Branches/Regional Offices/etc)

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3. Organization Chart(include each departments' contact person, titles, and main tasks)

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4. Major Shareholders

Name	% Ownership	Relationship to the largest shareholder	Comments

* Shareholders with more than 3% of shares must be reported (below 3% are classified as 'Others')

* Person with a special relationship must be reported

5. Sanctions from any Applicable Financial Supervisors(Company, Professionals, last 5 years as of RFP notice date)

Authority	Applicable Regulation	Sanctions	Remarks

* Please provide additional supplementary document evidencing relevant details.

6. Financial Status

(Units : \$mn, %)

	2015	2016	2017
Current Asset(A)			
Total Asset(B)			
Current Liabilities(C)			
Total Liabilities(D)			
Capital Stock (E)			
Shareholder's Equity(F)			
Operating Revenue(G)			
Operating Expense(H)			
Net Income (I)			
Current Ratio(J=A/C)			
Debt-to-Equity(K=D/F)			
Impaired Capital (L = (E - F) / E)			
Operating Ratio(M=G/H)			
N.I-to-Shareholder's Equity (N = I / F)			

* Please provide additional supplementary document evidencing relevant details.

* Provide the latest 3year figures in case 2017 data is unaudited

II. Investment Team & Management

1. Investment Team & Team Members

A. Investment Team

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B. Details of Team Members

	Name	Title	Age	Years of Experience	Years at the Firm	Role	Prior Experiences	Prior Punishment
Key Professionals				○○				
				○○				
				○○				
	Average			○○				
Other Senior Professionals				○○				
				○○				
				○○				
	Average			○○				
Total	Average			○○				

*Key Professionals : Investment Committee member + Senior Portfolio Manager (or higher than Managing Director, Co-Investment related members only)

2. Investment Team Management

A. Management related policies and process, especially for investment professionals.

B. Incentive scheme and Performance Improvement System

III. Investment Strategy

1. Investment Experience

- o Investment Philosophy and Objective
- o Institutional client base(including Korean investor) and network

2. Deal Sourcing Network

- o External network, Network practical case and future plan
 - Deal Sourcing Case, Information sharing with other managers
- o Synergy with Primary investment

3. Portfolio Constitution

- o Main portfolio target (Fund Strategy, Fund Size, Market etc.)
- o Strategy
 - Portfolio constitution, Investment/Distribution Schedule, Target Return & Possibility etc.
 - Investment and Exit plan
 - Analysis and Readiness for Market Volatility & Uncertainty
 - Competitive factors of Fund and GP(company)
- o Investment Sectors · Guideline for Fund selection, Valuation method
- o Investment access for different Market Cap of the Portfolio Company(Presenting EV criterion)
 - Small-Middle-Large Cap market access and allocation
- o Due Diligence Procedures/Process & Standards

4. Investment Decision-Making Process

- o Fund management process(sourcing to exit), investment decision-making flow chart & process
 - Identify personnels who play major or minor roles in the process
- o Investment Committee members (Key professionals & Portfolio Managers)
- o Investment Committee members' work experience & decision-making process

5. Management Plan

- o Post Management process/system/methods(Monitoring, Actions taken to any events)
 - Internal post management grade classification standard(No. of GPs)
- o Due Diligence on capital contribution details, sanctions of distributions on violating investment guidelines
- o Evaluation Process for investments & Systems for underperforming funds(policies for impairment loss etc.)

6. Exit Plan

- o Describe the Exit Strategy in detail
 - Differentiation Factors and rationality in realization
 - Process on unrealized funds

7. Management Supporting System

- o Management Supporting System
 - Dedicated research team(personnel, operating system & incentive system), Plans for outsourcing research team
 - Supporting Team's work experience(managing LPs, Accounting etc), Participation on education & training programme

IV. Risk Management(free format)

1. Risk Management System

- o Risk Management Team Organization, Personnel's Expertise, Standardization·Computerization of process
- o Risk Management Principles, Functional Performance Procedure & Risk Controlling Process
- o Possible specific risk factors in the fund management, and how the risks will be monitored/controlled
 - o Independence of the Risk Management Team(participation/reflection level of the risk management team on the decision-making process)

2. Compliance System

- o Compliance Team Principles, Functional Performance Procedure
- o Details of any potential conflicts of interest that exist for the Fund
- o Solutions/Effectiveness to conflicts of interest
 - Resolutions to prevent conflict of interest between,
 - funds
 - funds & capital accounts
 - major shareholders & affiliate person
 - portfolio companies' board of directors
 - Resolutions to prevent portfolio companies & managers moral hazard

V. Others(free format)

1. Term Sheet

- o Fund dividend condition
- o Fee Structure (Management Fee/Success Fee)
- o Company's management strategy

2. Service Plans for Korea Post

- o Service Plans related to Fund Management (Investment techniques etc.)
- o Market Trend/Outlook & Periodic Reports
- o Post-Investment Service/Investor Relations Service
- o Others
 - Reports / Research Materials
 - Education Programme

VI. Performance(separate excel sheet)

VII. Local Distributor

1. General Information

Name			
HQ. Address			
CEO		Establishment Date	
Corporation Registration No.		Business Registration No.	
No. of Employees			
Contact	(Name, Title, Tel, E-mail)		
History			

2. Team Members(Specify the dedicated members for the proposed fund)

	Name	Title	Age	Years of Experience	Years at the firm	Role	Prior Experience	Prior Punishment
Key Professionals				○ ○				
				○ ○				
				○ ○				
	Avg.			○ ○				
Managers				○ ○				
				○ ○				
				○ ○				
	Avg.			○ ○				
Total	Avg.			○ ○				

3. Contract Details(Please attach Distribution Agreement)

A. Distribution Process

B. Fees & Expense Structure

4. Administration & Investor Relations Service(In detail)