

Questions and answers to PIC005/13 GEFP Unlisted Portfolio

1. Please provide information on the below in terms of whether these are debt or equity instruments:
 - a. PFN Investments – The client acquired the PFN Holdings D preference shares which are linked to the E pref shares held by Eyabantu Capital Consortium.
 - b. Afripalm D preference shares - Loan
 - c. Afripalm N subscription – Participation Right
 - d. Kansai Plascon - Equity
 - e. Entabeni Participation Right- Participation Right
 - f. Makalani – Consists of different underlying instruments which are preference shares, loans and derivatives. Makalani values these investments so the scope of work is similar to the Fund of Funds scope.
 - g. Small Enterprise Foundation - Loan
 - h. Mcubed Holdings - Equity
 - i. King Sabata Dalindyebo Municipality - Loan

2. Can we propose to perform specific investments or do we need to propose for the entire scope. Could we choose not to propose for example for the Fund of funds review? The bid must be for the entire scope but it is to our discretion on how we award whether the whole portfolio to one bidder or split the portfolio to different bidders. The functionality will be split to the different instrument categories i.e. Fund of Funds, Debt and Equities

3. Is it essential to party with a consortium? Would this result in disqualification should the bidder choose not to form a consortium? It is not essential to party with a consortium.

4. Our copy of the documentation appears to be missing a page as the list of investments does not appear complete. Please could we have an electronic copy of the Appendices as the electronic version we have only goes up to page 30 and does not include the Appendices? This was forwarded to all bidders who attended the briefing session.

5. How many Fund investments does the Isibaya fund have? How many underlying companies' investments do the funds have an interest in? Would it be possible to provide a list of these

funds and underlying investments to give a clearer view of the scope of the project? [Please see attached](#)

6. What is the frequency of the fund of funds reporting work? Is this annual like the rest of the work? [It is annual](#)
7. Would it be possible to get a copy of the Isibaya fund accounting policies related to valuation contained in the financial statements? [No, the valuation performed must be independent, can refer to the GEPF accounting policy](#)
8. Page 11 refers to a minimum and administrative require of “indexed document”. Does this refer to the fact that the bidder’s submission needs to be indexed and, if so, to what? [Yes, it needs to be indexed with table of contents.](#)
9. The functionality requirements notes sample reports to be provided – is it acceptable to provide the proposed headings of such reports or do you require a dummy report to be provided? Please note that reports prepared for clients other than the PIC cannot be provided due to confidentiality requirements. [Dummy reports must be submitted](#)
10. What is the current total size of each portfolio component:
 - a. Funds of Funds (FoF); [+- R2 billion market value as at end of June](#)
 - b. Debt; [+ - R5 billion market value as at end of October](#)
 - c. Equity; and [+- R6 billion as at end of June](#)
 - d. Infrastructure? [+- R 527 million excluding solar energy investments which are included under equities.](#)
11. What is the range of valuations in each portfolio component (i.e. minimum investment value, maximum investment value, mean value and median value)?

	Minimum investment value	Maximum investment value
Debt	4 million	400 mill
Equity	100	206 mill
Fund of Funds	50 mill	1 billion

12. Will a materiality threshold be applied for purposes of performing the valuations i.e. will investments below the materiality threshold need to be valued? [All investments are valued](#)
 - a. If a materiality threshold will be applied, how many investments are considered to be below such a threshold and thus not warrant valuation?
13. In order to review the Fund of Funds valuation, will we be granted access to the fund managers' models? [This will be communicated to the Fund Manager, You will have discussions with the Fund Manager and where possible access to valuation models will be granted.](#)
14. If we disagree with a particular valuation/methodology applied by the fund manager, who will be responsible for amending or re-performing the valuation? [This should be noted on the report and can also be discussed with the fund manager to find out their reasoning behind using a specific valuation methodology.](#)
15. In respect of equity valuations, will we be provided with the forecasts by the management team of the investee companies? [All the companies will provide cash flow unless there is a contractual agreement stating otherwise.](#)
16. Will we have access to the management teams of the investee companies? [Yes you will have access.](#)
17. Will we be provided with access to the respective legal teams when reviewing the legal agreements (if required)? [You will be provided with legal agreements,](#)
18. We understand the valuation date will be 31 March 2014, so as to coincide with the year end of the PIC/GEPF. When will the successful bidder be granted access to management teams, staff etc. so as to commence the valuation process? [Beginning of February.](#)
19. Are bidders able to bid for a specific component of the total portfolio (e.g. equity instruments only)? [Bidders must bid for the total portfolio. \(Is it that the bidders can't split instruments of the same entity. You will not award the entire portfolio to one entity so why do you refuse for people to bid for their strength i.e. funds of funds?\)](#)

END OF QUESTIONS