HEADING

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T17-02-26: APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE LAND BANK WITH INVESTMENT ADVISORY SERVICES FOR A PERIOD OF 5 YEARS

24 February 2026 at 11h00

AGENDA

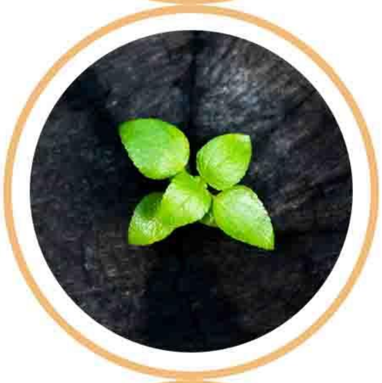
1. HOUSEKEEPING

2. TERMS OF REFERENCE

3. OBJECTIVES, CONDITIONS AND REQUIREMENTS OF THE TENDER PROCEDURES

4. Three (3) STAGE EVALUATION PROCESS

5. QUESTIONS



TERMS OF REFERENCE

BACKGROUND

LBIC offers crop insurance and agri-asset insurance to the agricultural sector, while LBLIC offers credit life products to the agricultural sector. LBIC operates in a volatile environment and therefore its investments are crucial in the financial sustainability, liquidity and solvency of the company. LBLIC has built up a significant investment portfolio overtime and the main source of income is now derived from the investment income. Cash surpluses are invested optimally on both a short and long-term basis with approved investment counterparties in line with approved Investment Policy Statement ("IPS") and regulations. LBI must ensure healthy and timely liquidity provision for the company to attain financial resilience.

Investment activities and decisions are governed by LBI's Investment Policy Statement ("IPS"), set and approved by the LBI's Board as recommended by the IAC. The IAC meets quarterly in January, April, July, and October every year and is responsible for recommending changes to the investment strategy, portfolio construction, asset manager appointments and their investment guidelines to the LBI Board. The LBI's internal investment unit sits in the actuarial team, supported by operations and accounting division as well as the externally appointed Investment Consultant. The unit is responsible for setting and executing the investment strategy and day-to-day management and monitoring of the investment portfolio and external fund managers. Fund reporting is currently conducted in-house by the company's actuarial and accounting units using instrument level data provided by its custodian, the appointed fund managers and corrobated with the investment consultant. The contract of the current investment advisory service provider ends in December 2024 and therefore the LBLIC and LBIC are required to start the process of appointing a new investment advisory service provider for a period of not more than 60 months (5 years).

SCOPE OF WORK

The LBIC/LBLIC invites service providers to bid for the rendering of investment advisory services. The potential service provider should provide investment advisory services to LBIC and LBLIC for a period of five ("5") years. The 5-year contractual period will be reviewed annually. The investment consultant is expected to develop, review/update and monitor the implementation of the investment strategy along with monitoring the performance of new asset managers, to ensure that optimal investment returns are realised in line with the investment policy statement (standard service), with specialist services and ad hoc as-and-when required from time to time. The investment consultant will provide both companies with the following services.

TERMS OF REFERENCE

Service	Sub item	Description
Standard Consulting Service	Investment Strategy and Portfolio Construction	• Advise on investment philosophy and providing advice with respe Investment Policy Statement (IPS annually; • Present the IPS and investment mandates to the Investment and Actu of Directors for approval; • Assist in setting, reviewing, enhancing, implementing and monitoring t • Assist, review and enhance the stochastic asset-liability modelling achieving the stated investment objectives at least annually; • Advice on the strategic and tactical asset allocation and advice approach may be more appropriate; and, • Assistance in the formulation and reviewing of the Investment Policy procedures and frameworks as pertaining to investments.
	Asset Manager Research, Due Diligence, and Appointment	• Assist in current and potential asset manager and product provider se • Negotiate investment management mandates and fees; • Conduct a full review of the investment mandates with asset manage • Ensuring that appropriate mandates are in place with the asset manc Investment Policy.
	Asset Manager Monitoring and Performance	• Review existing asset management services and provide feedback tc • Setting appropriate benchmarks for the purpose of performance mor • Review and monitor the performance of asset managers both on a q • Asset manager analysis and advising the IAC on investment products, • Request asset managers to report on their observance of Code for Re • Reporting on the performance and risks of each asset manager comp • Quarterly review of asset managers (qualitative & quantitative).
	Asset Management Fee Checks	• Review management fee calculations monthly and performance fee • Advise on fees and negotiate where required; and, • Ensure disclosure of implicit & explicit Rand fees.
	Performance Monitoring and Reporting	• Developing a transition plan for implementing the strategic asset alloc • Monitoring of securities lending policies and programs; • Define risk appetite using risk budgeting framework; • Prepare monthly, quarterly, and annual performance reports against • Provide monthly feedback on investment performance; and, • Provide quarterly feedback on global and local macro-economic ou
	Attendance of Meetings	• Monthly Reports to the Actuarial Team and/or Executive Committee; • Report on investment positioning and potential risk to the IAC at quar • Quarterly reports and presentations (if required) to the IAC and/or the • Attend IAC quarterly meetings, manager workshops, ad-hoc meeting
	Communication	• Providing advice to Management and IAC on investment and comp smooth operations of the investments; • Communicate matters of the Investment Policy, manager research ar • Liase with relevant role players, IAC Chairman and members on a reg

TERMS OF REFERENCE

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Specialist Consulting Service	Risk Monitoring and Reporting (Market & Credit Risk)	• Preparing monthly and quarterly market risk reports according to the i • Preparing monthly and quarterly credit risk reports according to credi • Provision of appropriate calculation tools and templates for the purpo
	Unlisted Instruments	• Formulate an effective performance monitoring process of the unliste • Assist with the valuation of unlisted instruments and valuation reports; • Review of the annual valuation reports of unlisted investments/compo • Provide an input to valuation assumptions underpinning the valuation • Develop monitoring framework for unlisted assets.
	Data and Audit Assistance	• Develop and/or review investment reporting templates and data req • Provision of the investment information required for the drafting of the • Assist with the investment audit process (internal and external audit), asset managers; • Assist with regulatory reporting through requesting and maintaining c data for the purposes of SAM; and, • Develop/review investment reporting templates.
	Modelling & ALM	• Conduct ALM using consultant's internal ALM/Economic Scenario Ge • Provide balance sheet and income projections to support strategic e.g. for market risk; • Assess and monitor exposures against risk appetite limits; and, • ALM Model Development (see Ad-Hoc): Assist with migration to license or the provision of an appropriate tool (licensing).
	Investment Reporting	• Develop processes and deliver monthly/quarterly/annual investment • Assist in further development and maintenance of investment reportir • Reporting Automation Development: Assist client to automate and m
Ad Hoc Assistance	The appointed investment consultant may be requested by the IAC, Executive Committee and/or the Board to perform various ad hoc tasks. The anticipated services could be, charged for on an hourly rate, subject to an overall cost per annum as stipulated in the terms of reference.	To be billed at hourly rates, with an overall annual cap in the SLA, except limited up to a maximum of R2.5m over the contractual period, including - Systems and Software Development o ALM system transition - Investment Training/Workshops (on investment strategy, ESG, regulations - Legal and Operational Reviews of manager agreements. - Regulatory, Accounting & Risk Reports – analysis of new developments ir - Transition Asset Management (bps-based fee): Fees to be quoted as an transitioned). Must cover transition management fee, broker fees, and cu - Additional Advisory Services as requested by LBIC/LBLIC (e.g., research c

OBJECTIVES, CONDITIONS AND REQUIREMENTS OF THE TENDER PROCEDURES

- All participating bidders must indicate their company name and company representative in Teams chat with contact details (email & number)
- Bidders are reminded that Telephone requests for clarification will not be accepted. Any clarification a bidder requires regarding the meaning and interpretation of the Terms of Reference or any aspect concerning the bid must be requested in writing via email from SCM (tenders@landbank.co.za).
- Written questions of clarification must be sent on or before:
  - **26 February 2026 by 16H00**
- A reply to all questions and answers is intended to be sent by email to all prospective bidders as follows:
  - **27 February 2026**

OBJECTIVES, CONDITIONS AND REQUIREMENTS OF THE TENDER PROCEDURES

- One original submission, and one softcopy /electronic version of the original in a USB

- Bids should be submitted in a sealed envelope marked with:
    - **Bid Number:** (T17-02-26)
    - **Bid Description:** Appointment of a service provider to provide Land Bank with investment advisory services for a period of 5 years
    - Bids must be submitted on or before **11am on 10 March 2026**

- **Bids which are submitted after the closing date and time will not be accepted.**

- The bidder's representatives are encouraged to share the information with the person compiling the bid document to ensure that the tender requirements are understood.

Three (3) STAGE EVALUATION PROCESS

Mandatory criteria (stage one)

- During the mandatory assessment, failure to provide any mandatory information as requested in clause 2.1 on page 13 will result in the proposal being deemed non-responsive.

NO	DESCRIPTION
1	The price that shows split between LBIC and LBLIC such that the total allows for synergies between the two entities since the scope of work is the same and some asset managers overlap.
2	Please provide proof of a valid Financial Services Provider (FSP) licence issued by the Financial Sector Conduct Authority (FSCA), confirming that your company is authorised to render investment advisory services in accordance with the Financial Advisory and Intermediary Services (FAIS) Act.
3	Proof of Professional Indemnity Cover of at least R2 000 0000.00 or a signed letter of undertaking confirming that, if awarded the contract, the bidder will provide proof of professional indemnity insurance with a minimum cover of R2,000,000 within five (5) working days of accepting the letter of appointment
4	The bidder must attend the compulsory briefing session and have registered the contact details on the online chat.

Three (3) STAGE EVALUATION PROCESS

Technical Evaluation (Stage two)

The bidder is expected to obtain the minimum technical threshold of sixty (60) points out of a possible hundred (100).

- The service provider must have experience of having provided investment advisory services for similar work done before, accompanied by a written list of references on work done, by providing contactable references. Preferance shall be given to firms with previous investment advisory services to an insurer. **(15 points).**
  - Award or Appointment letter, Purchase order, reference letters, and service level agreements will be considered in this criterion Award or Appointment letter, Purchase order, and SLAs will not be considered in this criterion
- At least four contactable references confirming recent investments advisory/consulting work performed. Reference letters on the client letterhead with verifiable contact must be provided listing name, contact number, assets under management, period, scope of work and clarify if the client is an insurer. Preference shall be given to firms with previous investment advisory services to an insurer **(15 points).**
  - All references written in the letterhead of the company supplying the reference, clearly indicating the rank/title and full contact details of the official(s) supplying the reference.
- **Methodology and Approach (40 point)**
  - Detailed methodology and approach covering all the activities.
- Consulting Team Profile of members who will be allocated to the Land Bank **(25 points)**
  - Detailed experience of each individual team member's experience presented in a table format for ease of calculating average experience. Detailed CVs must supplement the table of experience
  - Bidders must provide a table of individual team members and whether they are black/non-black professionals and their professional designations/qualification to enable the calculation of black composition
- **Development and Transformation plan (5 points)**

Three (3) STAGE EVALUATION PROCESS

Stage 3 - Price and specific goals

- Either the 90/10 or 80/20 preference point system will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

- The bidder must provide a pricing schedule for both LBIC and LBLIC. The cost per entity will then be split based on the total asset allocation between LBIC and LBLIC and apportioned accordingly. Separate service level agreements will however be agreed upon as the entities are separate legal entities and costs must be charged separately.

- Bidders must comply with the price instructions on page 23

QUESTIONS/CLARITY/ COMMENTS

www.landbank.co.za

THANK YOU!

Follow Us:

- 272 Lenchen Avenue,
- Lakefield Office Park, Building A
- First Floor, Die Hoewes, Centurion

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