

Request for Proposals (RFP) – Core Real Estate

The Employees' Retirement System (ERS) of Milwaukee County is requesting proposals from interested firms for Core, Private, Commercial Real Estate management. The Pension Board is seeking to identify one or more firms to manage a Core Real Estate allocation of approximately \$120 million.

Responses are due by: May 31, 2010

The RFP questions can be obtained by e-mailing:

Ray Caprio
Assistant Vice President
Marquette Associates, Inc.
180 N. LaSalle Street, Suite 3500
Chicago, IL 60601
Phone : (312) 527-5500
E-mail: rcaprio@marquetteassociates.com

In addition the RFP information may be downloaded:

<http://www.county.milwaukee.gov/PensionBoard16144.htm>



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A. Purpose

This Request for Proposal (“RFP”) has been issued by the Pension Board of the Employees’ Retirement System of Milwaukee County (“the ERS” or “System”) to identify one or more firms (“Manager”) who will be eligible to manage Core Real Estate assets.

The ERS anticipates selecting Manager(s) that it identifies, through the RFP process, that are most likely to successfully outperform the Benchmark with controlled risk. The ERS anticipates funding the Manager(s) with approximately \$120 million.

The ERS’s Investment Consultant, Marquette Associates, will be receiving and analyzing all responses from the RFP. Please contact Ray Caprio via email with any questions.

Proposals are being distributed to firms familiar to the ERS and the Investment Consultant known to fit the parameters. However, qualified firms that do not receive a RFP are encouraged to compete and may obtain the RFP document from the Milwaukee County website:

<http://www.county.milwaukee.gov/PensionBoard16144.htm>

B. Candidate Requirements

In order to be considered for selection as a Manager, the Proposer must meet the following minimum qualifications:

- The Manager must have the ability to act as a fiduciary to the ERS.
- The Manager must have a Private Real Estate Fund invested in core, commercial assets with a minimum track record of five years.
- The Fund must be Open-Ended.
- The Fund must not have leverage, at the Fund level, exceeding 40% on a rolling three-year basis as of March 31, 2010.
- The Fund must only invest in United States-based properties.
- The Fund must have broad diversification in property type, property size, and regional breakdown.
- The Fund must have a minimum of 40 core properties.
- The Fund’s top ten properties must not be greater than 50% of the Fund’s Net Asset Value (“NAV”) as of March 31, 2010.



- The Fund's aggregate properties must be at least 80% leased as of March 31, 2010.
- At least 80% of the Fund's Net Asset Value must be invested in Operating properties as of March 31, 2010.
- The Fund must be at least \$500 million in Net Asset Value as of March 31, 2010.
- The Fund must have at least two senior members of the investment team that have been in place on the product for at least five years.
- The Firm must be a registered investment advisor with the Securities & Exchange Commission pursuant to the Investment Advisors Act of 1940, as amended, and the registration must be current.
- The Firm must have an E&O Insurance Policy minimum of \$5 million.

C. Scope of Services

The ERS is looking to place assets with a Manager that can perform the following services:

- Provide monthly and quarterly reporting to ERS and the Investment Consultant.
- Complete quarterly and/or monthly requests for information from the Investment Consultant.
- Participate in meetings or conference calls as needed.

D. Submission of Proposals

- Proposals should first indicate whether or not the firm meets all the minimum requirements stated in **Part B**.
- Completed responses must include a proposed sample Investment Management Agreement, Form ADV II, and the most competitive cost proposal available.
- RFP must indicate the exact title of the proposed fund and the legal structure.
- Candidates must also complete Appendix I (separate excel attachment) which should accompany **Part F**.
- Upon completion of **Part F**, submit by May 31, 2010 electronically to:



Ray Caprio
Assistant Vice President
Marquette Associates, Inc.
E-mail: rcaprio@marquetteassociates.com

E. Evaluation and Selection

Proposals received will be evaluated by a panel that will be composed of some of the members of the Pension Board, with the advice and assistance of the ERS's Investment Consultant, Staff and Legal Counsel. Proposers may be requested to present at an interview or interviews. The evaluation panel will make recommendations to the Pension Board of the System, which will make the final selection of a firm or firms.

The recommendation(s) of the evaluation panel will be made on a consensus basis after reviewing the proposals submitted based on the following criteria:

- Compliance with the Minimum Requirements in Section B
- Overall experience, history, and past performance of the organization
- Manager team experience
- Process and philosophy of Manager
- Return and Risk of the Manager relative to the Benchmark
- Fees

The Pension Board of ERS will make its selection(s) by a majority vote at a public meeting of the Board. The ERS will select the Manager(s) the ERS determines to be fully qualified and best suited among those submitting proposals. *All proposals received in response to this RFP may be rejected and the ERS may seek new or additional proposals or may decline to select any Manager(s).*

Please note: The ERS is subject to Wisconsin open records law, 19.21 *et seq* of the Wisconsin statutes. All proposals will be deemed open records upon completion of the selection process. If a proposer believes that any portion of its proposal constitutes a trade secret pursuant to 19.36(5), Wis. Stats., the proposal must designate in some fashion those portions that the proposer asserts are trade secrets. In the event an open record request is received by ERS, ERS will make an independent determination of those records that it will release and is not bound by any designations made by proposers.

Candidates will be notified of their status in the RFP process when available.

F. Request for Proposal

(Please use data as of March 31, 2010 unless otherwise directed)



I. Organizational Information

- 1) Please provide the name, title, address, phone number, fax number, and email address of the individual that would serve as our primary contact servicing the account.
- 2) How long has your firm and, if applicable, your parent company, been active in the real estate investment business? Include the year investment management services were initiated for institutional accounts in real estate.
- 3) Please provide the year your firm was established and give a brief history of your firm. If applicable, please provide a brief history of the parent entity.
- 4) Were the proposed real estate capabilities developed in-house or derived through acquisition or separation of investment management personnel from another firm? Please describe.
- 5) If the firm is part of a diversified financial services firm:
 - a. Provide the percentage of revenue and operating income that the investment management operations represent of the total parent company. What is the reporting structure to the parent entity?
 - b. Provide the percent of assets under management, revenue, and operating income that the real estate division represents of the entire investment management division.
 - c. Provide the percent of assets under management, revenue, and operating income that the proposed product represents of the real estate division.
- 6) If your business is not solely real estate investment management focused, please provide a brief overview of the other products and geographies covered.
- 7) Please provide the address of the real estate business headquarters, and all branch offices. Indicate whether the office(s) is used for portfolio management, acquisitions, asset management, property management, research, marketing and/or client servicing.
- 8) Please discuss your general ownership structure and indicate all entities/persons that have an ownership stake in the firm (name and percentage). Please reference any different classes of stock or voting rights. What percentage of your firm is owned by current active employees?
- 9) Please provide an organizational chart of the firm's ownership structure.
- 10) Have there been any changes in the ownership structure of your firm in the past five years? If so, please explain in detail.
- 11) Has there been any management or organizational changes in the past five years? If so, please explain in detail.
- 12) Are there any known or contemplated firm changes in ownership or changes that may impact firm



personnel?

- 13) Please comment on the financial solvency of your firm. Do you have any firm debt? What is the minimum asset level required for your firm to remain profitable?
- 14) Please provide a brief description of your firm's plans for growth, such as asset growth, personnel growth, succession planning, over the next 3-5 years.
- 15) Is your firm a minority, woman, or disabled-owned firm defined as a sole proprietorship, partnership, or corporation owned, operated and controlled by minority group members who have at least 51% ownership? If so, are you registered as such? Please attach state or local registration.

II. Assets Under Management/Client Breakdown

- 1) Please list assets under management as of the most recent quarter-end and for the past three calendar years. Please list the gross market value of real estate assets.

| AUM (in millions) | Most Recent Quarter-End | 2009 | 2008 | 2007 |
|-----------------------------|-------------------------|------|------|------|
| Total Firm | | | | |
| Total Real Estate | | | | |
| Private real estate equity: | | | | |
| <i>Core</i> | | | | |
| <i>Value-Added</i> | | | | |
| <i>Opportunistic</i> | | | | |
| Public real estate equity | | | | |
| Private real estate debt | | | | |
| Public real estate debt | | | | |

- 2) Please provide a breakdown of clients as of the most recent quarter end (as measured by % of assets under management) using the following format. Please provide a brief explanation as to the contents of "other".

| Client Type | Firm Breakdown % | RE Breakdown % |
|----------------------|------------------|----------------|
| Corporate | | |
| Endowment/Foundation | | |
| HNW/Family | | |
| Insurance/Financial | | |
| Mutual Fund | | |
| Public | | |
| Religious | | |
| Taft-Hartley | | |
| Sub-Advisory/Wrap | | |
| Fund-of-Funds | | |



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| | | |
|----------------------|--|--|
| Other (must explain) | | |
|----------------------|--|--|

3) Please provide the investment management services offered as of the most recent quarter end. The total should represent all strategies and include all assets under management: (Complete all that apply)

| | Discretionary Separate Accounts | | | Non-Discretionary Separate Accounts | | | Commingled Funds | | | Total | | |
|------|---------------------------------|---------------------|-----|-------------------------------------|---------------------|-----|------------------|---------------------|-----|------------|---------------------|-----|
| | # of accts | Market Value (\$mm) | | # of accts | Market Value (\$mm) | | # of accts | Market Value (\$mm) | | # of accts | Market Value (\$mm) | |
| | | Gross | Net | | Gross | Net | | Gross | Net | | Gross | Net |
| 2010 | | | | | | | | | | | | |
| 2009 | | | | | | | | | | | | |
| 2008 | | | | | | | | | | | | |
| 2007 | | | | | | | | | | | | |
| 2006 | | | | | | | | | | | | |
| 2005 | | | | | | | | | | | | |

4) Please provide the following information for the firm's funds currently under management.

| Name of Fund | Gross Size (\$ Mil) | Open / Closed-end | Investment Strategy | Date Formed | Legal Life |
|--------------|---------------------|-------------------|---------------------|-------------|------------|
| | | | | | |
| | | | | | |

5) Does the firm or its affiliates have any other funds or accounts with a similar investment strategy and that have capital available to invest? If so, identify the strategy and capital available.

III. Compliance/Legal/Risk Management

- 1) Is your firm represented by a third party firm, an outside individual(s) whose purpose was marketing and/or gathering assets for the firm, or an introducing agent that was compensated for marketing and/or gathering assets? If so, list all relationships and compensation structure.
- 2) Is your firm affiliated with a broker-dealer? If so, please disclose your firm's use or proposed use. How does your firm manage potential conflicts of interest?
- 3) Is your firm a SEC Registered Investment Advisor? If yes, please attach a copy of your ADV Part II.
- 4) Is your firm a Qualified Professional Manager (QPAM) under ERISA?
- 5) Is your firm compliant with GIPS® Standards? If yes, please indicate the last audit year and provide the most recent verification letter.
- 6) Is your firm compliant with The Real Estate Information Standards (REIS)?



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- 7) Please provide a brief description of any past or pending regulatory action, litigation, or other legal proceedings involving the firm or any registered employees and/or principals as defendants in the last 5 years.
- 8) Are you currently or have you been in the last 5 years out of compliance with the SEC, DOL, or any regulatory agencies? If yes, please explain thoroughly.
- 9) Has your firm been audited by the SEC, DOL, or any regulatory agency in the past 5 years? Please explain any key findings. Please attach a copy of the SEC Review findings and firm responses.
- 10) Do you have a dedicated compliance officer? Does this person serve other roles within the firm? If so, please describe.
- 11) Who is the firm's independent auditor? How long have they been serving in this capacity?
- 12) Who is the firm's legal counsel or do you use an in-house legal team? Please provide brief biographies for them, indicating how long they have been serving in this capacity.
- 13) Please describe your firm's disaster recovery and business continuity plans, specifically addressing the most recent date and the numbers of times you have practiced and tested your procedures in the past 5 years, and the results of those exercises. Please provide a copy of your firm's disaster recovery and business continuity procedures.
- 14) Please address your back-up capabilities and/or offsite location, particularly related to your trading desk, in the event your primary office location was inaccessible.
- 15) Does your firm have a risk management and oversight officer? Does that risk officer operate independently from portfolio managers or other staff members responsible for establishing investment policy? If there is no independent risk manager, how does the firm monitor investment risk?
- 16) How does management monitor the quality of the firm's products in terms of benchmarking, adherence to style, philosophy and process, and compliance with client guidelines and investment guidelines?
- 17) Has your firm ever been subjected to an independent third party evaluation of its internal control policies and procedures, as well as control systems related to financial reporting (e.g., SAS 70 audits, risk management systems or other investment-related systems)? If so, please provide a copy of these reports. In either case, please highlight your firm's internal control policies and procedures as they relate to the investment process, including (but not limited to) the following:
 - Property acquisitions and dispositions
 - portfolio accounting and reconciliation
 - compliance with firm and client specified investment guidelines



18) Does your firm have a written ethics policy for employees? Describe what steps your firm takes in order to eliminate possible conflicts of interest between client portfolios and the firm and/or its personnel. Please attach a copy of the firm's code of ethics policy.

IV. Investment Professionals

Firm Specific:

- 1) Please provide an organization chart and a discussion of your staff structure.
- 2) Provide the total number of real estate professionals broken down by function in the format below as of the most recent quarter end. Do not double count any professional. For example, if a Portfolio Manager also conducts research, the more senior position applies and he/she should only be counted once.

| Direct Equity Real Estate | Number | Breakdown by Office Location |
|---|--------|------------------------------|
| Portfolio Management | | |
| Research | | |
| Acquisitions | | |
| Dispositions | | |
| Asset Management | | |
| Property Management | | |
| Leasing | | |
| Accounting/Financial | | |
| Legal | | |
| Client Servicing/Marketing | | |
| IT (Technology) | | |
| Senior Management | | |
| Engineering | | |
| Other: please list here | | |
| Total Direct Equity RE Professionals | | |

3) Please indicate the turnover of all real estate professionals in the table below.

| | Additions | | | | | | Terminations/Departures | | | | | |
|--------------|------------|------|-------------|-----------------|------------|--------------|-------------------------|------|-------------|-----------------|------------|--------------|
| | Port. Mgrs | Acq. | Asset Mgmt. | Research/ Other | Inv. Comm. | Total | Port. Mgrs. | Acq. | Asset Mgmt. | Research/ Other | Inv. Comm. | Total |
| 2010 | | | | | | | | | | | | |
| 2009 | | | | | | | | | | | | |
| 2008 | | | | | | | | | | | | |
| 2007 | | | | | | | | | | | | |
| 2006 | | | | | | | | | | | | |
| Total | | | | | | | | | | | | |

| Total Employee Count in Each Year | | | | | | |
|-----------------------------------|-------|--|-------|-----------|------|--|
| | Port. | | Asset | Research/ | Inv. | |
| | | | | | | |



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| | Mgrs | Acq. | Mgmt. | Other | Comm. | Total |
|--------------|------|------|-------|-------|-------|-------|
| 2010 | | | | | | |
| 2009 | | | | | | |
| 2008 | | | | | | |
| 2007 | | | | | | |
| 2006 | | | | | | |
| Total | | | | | | |

Do not double count any professional. For example, if a Portfolio Manager also conducts research, the more senior position applies and he/she should only be counted once.

Fund Specific:

- 4) Detail the key Fund personnel that comprise the investment and management team for the Fund in the format below. Attach biographies as an Appendix if not previously provided.

| Name | Title | Responsibilities | Yrs at Firm | Yrs of RE Experience | Yrs on Fund | Highest Degree Attained | % of Time Dedicated to Fund |
|------|-------|------------------|-------------|----------------------|-------------|-------------------------|-----------------------------|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

- 5) List the members of the Investment Committee in the format below. Attach biographies as an Appendix if not previously provided.

| Name | Title | Responsibilities | Yrs at Firm | Yrs of RE Experience | Yrs on Fund | Highest Degree Attained | % of Time Dedicated to Fund |
|------|-------|------------------|-------------|----------------------|-------------|-------------------------|-----------------------------|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

- 6) Please indicate the professional turnover for this fund and the total number of investment professionals dedicated to the management of this fund in the tables below.

| | Additions | | | | | | Terminations/Departures | | | | | |
|--------------|------------|------|-------------|-----------------|------------|-------|-------------------------|------|-------------|-----------------|------------|-------|
| | Port. Mgrs | Acq. | Asset Mgmt. | Research/ Other | Inv. Comm. | Total | Port. Mgrs. | Acq. | Asset Mgmt. | Research/ Other | Inv. Comm. | Total |
| 2010 | | | | | | | | | | | | |
| 2009 | | | | | | | | | | | | |
| 2008 | | | | | | | | | | | | |
| 2007 | | | | | | | | | | | | |
| 2006 | | | | | | | | | | | | |
| Total | | | | | | | | | | | | |

| Total Employee Count in Each Year | | | | | | |
|-----------------------------------|-------|--|-------|-----------|------|--|
| | Port. | | Asset | Research/ | Inv. | |
| | | | | | | |



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| | Mgrs | Acq. | Mgmt. | Other | Comm. | Total |
|--------------|------|------|-------|-------|-------|-------|
| 2010 | | | | | | |
| 2009 | | | | | | |
| 2008 | | | | | | |
| 2007 | | | | | | |
| 2006 | | | | | | |
| Total | | | | | | |

Do not double count any professional. For example, if a Portfolio Manager also conducts research, the more senior position applies and he/she should only be counted once.

- 7) Please describe the firm's compensation and incentive program for senior management and for all investment professionals. How are individuals evaluated and rewarded? What incentives are provided to attract and retain superior individuals?
- 8) Identify the percentage of compensation which is:
 - a. Base salary
 - b. Performance bonus
 - c. Equity incentives
 - d. Other

On what basis are the above incentives determined?
- 9) Incentive fee (promote). Please detail the points out of a total of 100 for the Fund that are allocated to the company, people and those that remain unallocated.
 - a. Describe any vesting periods and any other mechanisms to stage ownership.
 - b. How are unallocated points awarded and to whom may the points get awarded to?
 - c. Description of policies regarding the General Partner's and/or other employees' personal investment in portfolio companies.
- 10) Are there any employment agreements for key personnel or investment professionals?
- 11) Please give succession plans for key employees if retirements are planned within 5 years.
- 12) Describe employee or corporate ownership and/or co-investment in this product (existing or available).

V. Investment Strategy

- 1) Please describe the fund's investment philosophy and strategy.
- 2) Discuss the risks involved in the fund's investment strategy, and how you plan to manage these risks.
- 3) Please briefly provide your firm's definition for core, value-added and opportunistic investments.
- 4) What types of investments will/will not be considered?



- 5) What is the anticipated average investment size?
- 6) Discuss your planned average holding period for investments. In normal market conditions, what is the average annual turnover of assets?
- 7) Are there any property types or geographic regions that your firm normally excludes from your real estate investment universe? If so, why?
- 8) Describe the role of development, if any, in your fund. Is there a defined cap? Are there pre-sale or pre-leasing thresholds? Please indicate the highest percentage of fund assets involved in development projects in the last five years.

Operating Partners:

- 9) Do you use local operating partners? If so, how are partner transactions structured? Please be specific with regards to dollars invested, sharing percentages and thresholds, exit mechanisms, and control and monitoring of the investments.
- 10) Are operating partner relationships exclusive? Is there a right of first offer or other mechanisms?
- 11) What other services will the operating partner provide to the Fund for which it will charge a fee? How are the fees determined? Detail the expected fees to be charged for each service.

Debt:

- 12) Please describe the Fund's overall strategy as it relates to debt. Please also address the following:
 - a. What are the maximum allowable percentages at the fund and property level?
 - b. Is the total fund level leverage limit calculated on consolidated leverage? Effective leverage? Does the calculation include off-balance sheet items such as forward commitments?
 - c. Describe the implications and procedures when the fund's leverage is outside the maximum allowable range.
 - d. Does the fund use fund-level, unsecured debt facilities? Describe the perceived benefits and risks of issuing fund-level debt.
 - e. Please describe management's preference for fixed and floating rate debt. What is the anticipated breakdown between the two?
 - f. Will floating-rate debt be hedged? What mechanisms will be employed?
- 13) What is the current consolidated leverage? Effective leverage? What has the range of leverage been over the last five years? What is the expected leverage range?
- 14) As it relates to debt, is the fund currently in violation of any lender covenants or has the fund exceeded its own maximum leverage target? Are there any assets that the fund defaulted on and/or written the value to zero? If so, please provide details.



Forward Commitments:

- 15) Please describe the fund's overall strategy as it relates to the use of forward commitments? Is there a defined cap? Are there pre-sale or pre-leasing thresholds? Please indicate the highest percentage of fund assets involved in forward commitments in the last five years.
- 16) Does the fund have any forward commitments? If so, please provide a list of the forward commitments including property type, the time the commitment was made, the original commitment amount (net & gross), current market value, and the expected closing date. Are these commitments being valued/impacting the fund's current performance? If so, please explain this valuation process.
- 17) How is the accounting of forward commitments handled (consolidated/unconsolidated)?

VI. Investment Process

- 1) How are investment decisions approved? Please describe the Investment Committee role in the acquisition, asset management, and disposition process. Detail the approval requirement at each stage.

Research Process:

- 2) Describe the research process your firm utilizes for real estate. Include the firm's research capabilities and organization, and/or the sources of research utilized by the firm and how research is applied to support the investment management process. What is distinctive about the research process relative to your peers?
- 3) How is internal and external research sources integrated?
- 4) Provide at least two examples from your experience on how research has been applied to the investment process.
- 5) Does your firm publish internal or external research reports or newsletters? Please describe the types and frequency of research reports or newsletters published. If so, provide a sample of a research report that is relevant to the investment strategy contemplated in this RFP.

Acquisitions:

- 6) Please provide an overview of your acquisition process.
- 7) How does your firm source new investment opportunities?
- 8) Describe your due diligence and approval process for new acquisitions.
- 9) How does your firm allocate assets to investment accounts/funds within the firm? Does the firm have a formal allocation policy? If yes, please provide a copy. If no, please explain why a formal policy has not been established.



Asset/Property Management:

- 10) Please describe your firm's capabilities and processes for providing asset and property management services for acquired assets.
- 11) Please describe the structure and responsibility of the firm's asset and property management team or group (e.g. organized by property type, geographic region, client accounts, etc).
- 12) Does the firm utilize affiliates for property management? If so, why and to what extent? How do you ensure that market based fees are charged?
- 13) How frequently do you evaluate property management and what metrics are used?

Leasing:

- 14) Please describe your approach to contracting leasing services?
- 15) Does the firm utilize affiliates for leasing services? If so, how do you ensure that market based fees are charged?

Dispositions:

- 16) Please provide an overview of the disposition process including hold/sell analysis frequency, decision making process and implementation procedures.

General:

- 17) Have there been any changes to the product's investment process over the past five years? If yes, please describe in detail.
- 18) Describe any services aside from investment management related duties whereby you or any affiliates provide services to the fund and receive a fee. Examples include, but are not limited to development, project management, financing, property leasing functions, and property management responsibilities. If your firm does receive fees for any of these activities, please describe how you avoid any potential conflicts of interest.
- 19) What aspects of your investment process do you believe differentiate you from your competitors?

VII. Fund

General Information:

| | |
|---------------------|--|
| Investment Manager: | |
|---------------------|--|



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|----------------------|--|
| Legal Fund Name: | |
| Fund Inception Date: | |
| Minimum Investment: | |
| Fiduciary for Fund: | |
| Fund Auditor: | |

- 1) Please provide a brief history of the fund.
- 2) What are the target returns for the fund?

Fund Structure:

- 3) What is the legal structure of the fund (Limited Partnership, LLC, Private REIT, etc.)? Why was the structure chosen and what are management's perceived benefits and/or limitations of the structure? Have there been any changes to the original structure? Are there any anticipated changes to the structure of the fund? Please provide a structure chart.
- 4) Does a separate party serve as custodian/trustee for the commingled fund? If so, please identify this party and describe the services provided. Also, please indicate if there is any other relationship/affiliation between the trustee/custodian and your firm.
- 5) Please describe any restrictions in place for the type of client eligible for the fund? Is the fund available to Non-ERISA clients?
- 6) Please describe any and all regulating bodies governing the fund.
- 7) Will the fund generate UBTI? Please describe the procedures in place to minimize UBTI to non-ERISA clients. Has the fund generated UBTI in any of the last five years? If so, please explain.

Fund Limitations:

- 8) List each fund limitation for each of the following items and explain each one. Please indicate if limitations are based on GAV or NAV and if they are hard limitations or guidelines. Discuss the implications and procedures if a violation occurs.
 - a. *Permitted property types:*
 - b. *Property type concentration:*
 - c. *Regional concentration:*
 - d. *Single property exposure:*
 - e. *Single market exposure:*
 - f. *Fund/Property leverage:*
 - g. *Non-core properties (Please define what you include in non-core):*
 - h. *Hotels (Do you include in non-core):*
 - i. *Development:*
 - j. *Forward commitments (Do you include in Non-core %):*
 - k. *Joint Ventures:*



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- l. REIT exposure:*
- m. Cash balance:*
- n. Any other limitations not listed:*

Cash Management:

- 9) Describe the Fund's process of cash management?
- 10) What investment vehicle is used for cash in the Fund?

Redemptions/Distributions:

- 11) Please discuss the fund's redemption procedures. How often may an investor withdraw assets; what is the notification period?
- 12) Please discuss the current redemption procedures as it relates to a withdrawal queue (Pro-rata, first-in/first-out, a combination, etc.) How is the pro rata allocation determined?
- 13) Please describe any changes or potential changes to the withdrawal/redemption procedures that have occurred over the last three years.
- 14) Please describe the distribution process. Do investors receive dividends? Specifically address whether or not income dividends have preference over other redemption requests.
- 15) What is the fund's target dividend distribution to investors? Has the fund at any time stopped paying cash distributions to investors? If so, please describe in detail when and during what period of time, and under what circumstances.

Contributions:

- 16) How often and on what dates does the fund accept new contributions? Has the fund ever accepted any contributions outside of the normal schedule? If so, please describe in detail.
- 17) Does the fund have any lock-up provisions?
- 18) Does the fund currently have a contribution queue or waiting list for investors seeking to contribute new or additional capital into the fund? If so, show the number of accounts, the dollar amount in the queue and the approximate length of time you expect it will take to draw down the queue.
- 19) If there is a queue, how would new investors' commitment be added to the queue – would all currently waiting assets first have to be invested before any new commitments are applied?

Valuation/Appraisal Process:

- 20) Please provide an overview of your appraisal policy and process including frequency of external appraisals.
- 21) What is your appraisal selection process, rotation process (including number of years)? How many appraisal firms do you currently employ?



22) Describe the Fund's efforts with respect to FAS 157 requirements.

23) Describe in detail your firm's process for marking debt to market. Include specifics on your firm's current procedures for marking debt to market and a table showing the start date of the first quarter you began marking debt to market and what the impact this has had on your performance each quarter. Do you mark your portfolio level debt and property level debt to market?

Governance:

24) Please describe the governance of this fund.

25) Does the fund have any Advisory Board? If, so describe in detail who sits on the Advisory Board, what the role of the Board is and what specific duties it holds, including any voting rights. Please include bios of the members of the Advisory Board.

VIII. Client Reporting

- 1) Describe your firm's client reporting system, including frequency/delivery cycle as well as format and delivery (hard copy vs. electronic) of reports. Please provide examples of annual and quarterly investor reporting.
- 2) Please describe the research and other technical resources, including on-line databases, data-rooms, and web-based analytical tools that you make available to your clients.

IX. Miscellaneous

- 1) What are your firm's competitive advantages over other real estate advisors, specifically your competitors? What distinguishes your firm and your Fund from the other core open-ended funds.
- 2) What lessons have you learned during the most recent downturn and what measures have been taken to compensate for those experiences?
- 3) Does the fund have a Responsible Contractor Policy? If so, please provide a copy.

X. Fees

- 1) List all fees associated with this Fund (asset-based fees, transaction/deal fees, performance fees, etc.) Also, describe any entry/exit fees.
- 2) What were the average all-in fees in each of the last three years?
- 3) How are fees paid?

XII. Checklist for Appendices

Please check off items included as attachments



*Employees' Retirement System of Milwaukee County
Core Real Estate RFP*

| | Included? |
|---|-----------|
| Organizational Chart – Ownership Structure | _____ |
| Organizational Chart – Organizational Structure | _____ |
| MWBE Registration (if applicable) | _____ |
| ADV – Part II | _____ |
| GIPS Verification Letter (if applicable) | _____ |
| Disaster Recovery and Business Continuity Procedures | _____ |
| Independent Systems Control Audit Reports (if applicable) | _____ |
| Code of Ethics Policy | _____ |
| Investment Professional Bios | _____ |
| Sample Research Publications | _____ |
| Rotation/Allocation Policy | _____ |
| Fund Structure Chart | _____ |
| Redemption Policy | _____ |
| Valuation Policy | _____ |
| Most Recent Quarterly and Annual Report | _____ |
| PPM, Trust Document | _____ |
| Fund Investment Guidelines | _____ |
| Responsible Contractor Policy | _____ |

Appendix I.

Download the excel spreadsheet, complete utilizing 3/31/10 data, and submit as a separate attachment with **Part F.**

