



Santa Barbara County Employees' Retirement System

Santa Barbara County Employees' Retirement System

Request for Proposals (RFP)

For

Discretionary Real Estate Consultant Services

Timeline

Date of RFP issuance	April 27, 2022
Deadline for written questions to SBCERS	May 20, 2022
Deadline for submission of Proposals	5:00 pm PST, June 15, 2022
Tentative interview dates	August 25 – September 12, 2022
Tentative finalist presentation to Board	November 16, 2022

Delivery of Proposals

Proposals are to be delivered as follows:

Seven (7) printed copies, including one with original signatures and marked "Original" and one (1) electronic version to be delivered to:

Investments Team
Santa Barbara County Employees' Retirement System
130 Robin Hill Road
Suite 100
Goleta, CA 93117
Investments@sbcers.org

Note that both the electronic copy and the paper copy shall include signatures as required by this RFP. The electronic copy shall be included on a CD or flash drive mailed with the printed copies and emailed to the address above.

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SECTION I: BACKGROUND & NATURE OF SERVICES REQUIRED**A. Introduction**

The Santa Barbara County Employees' Retirement System (SBCERS) is soliciting proposals from qualified professional real estate consulting firms for a discretionary mandate. Consultants should have real estate consulting experience in the institutional, and preferably, public pension fund area.

B. Santa Barbara Employees' Retirement System (SBCERS)

SBCERS was established on January 1, 1944. It has assets of approximately \$4.1 billion and is administered by the Board of Retirement to provide service retirement, disability, death, and survivor benefits for County employees and contracting districts under the California State Government Code §31450 et seq., (County Employees' Retirement Law of 1937). Members include all permanent full and part-time employees of the County of Santa Barbara, the Santa Barbara County Courts, and the following nine districts:

- Carpinteria, Goleta, Oak Hill, and Santa Maria Cemetery Districts
- Carpinteria-Summerland Fire Protection District
- Mosquito & Vector Management District of Santa Barbara County
- Santa Barbara County Air Pollution Control District
- Santa Barbara County Association of Governments
- Summerland Sanitary District
- Local Agency Formation Commission

The Board of Retirement is responsible for establishing policies governing the administration of the retirement plan and managing the investment of the System's assets under authority granted by the California State Constitution.

The Board consists of nine members and two alternates. The County Board of Supervisors appoints four members of the Retirement Board; six are elected by the membership (two by general members, two by safety members including one alternate, and two by retirees including one alternate); and the County Treasurer is an ex-officio member.

The Board retains a Chief Executive Officer responsible for the organization who oversees the investment division, along with investment staff. The CEO and Investment staff support oversight by the Board and work with the general investment consultant to perform due diligence, negotiate contracts, manage portfolio operations, provide training, and monitor portfolio performance.

SBCERS has retained RVK Inc., for general consulting services. RVK's primary responsibilities include advising on matters related to asset allocation, investment policy

and portfolio implementation on allocations not assigned to discretionary consultants. Hamilton Lane has been retained as a discretionary consultant for private equity and private real return portfolios. ORG Portfolio Management is the incumbent discretionary consultant for real estate. BNY Mellon serves as custodian for the assets of the Trust.

C. Investment Program

Please refer to SBCERS' Statement of General Investment Policies and Guidelines and Real Estate Investment Policy for information on SBCERS' investment program. The policies can be found on the SBCERS website: <https://www.sbcers.org/wp-content/uploads/Investment-Policy-Statement-2022.pdf>

D. Real Estate Portfolio

SBCERS has approximately \$385M invested in real estate as of September 30, 2021. The allocation is made up principally of private real estate investments. The allocation policy is permissive of publicly traded real estate securities if the discretionary consultant identifies opportunities within that market segment. The private portion of the fund invests in Core, Value and Opportunistic real estate investments. Currently real estate is 9% of the total fund and the target allocation for real estate is 10%. A list of SBCERS current real estate managers can be found in Appendix I.

E. Scope of Services

Consultant shall provide discretionary real estate consulting advice and services. Consultant will report to the Board and functionally work closely with the Board of Retirement, CEO, and investment staff.

The services required include, but are not limited to the following:

1. General

- i. Act as fiduciary to SBCERS in providing oversight and administration of SBCERS's private real estate portfolio.
- ii. Assist the Board and Staff in the development of an appropriately structured real estate investment program, including the establishment and maintenance of investment objectives, strategies, risk management, performance standards and benchmark standards.
- iii. Provide educational and/or training sessions on real estate investing to the board and staff as requested.
- iv. Prepare reports and recommendations regarding market conditions as well as industry trends and developments that could affect the prospects, terms, and structure of the market. Advise on real estate capital market assumptions.

- v. Review SBCERS's real estate investment policy and provide written recommendations for the amendment or modification as needed.
- vi. Prepare an annual strategic plan for SBCERS real estate portfolio. These annual plans will project commitment pacing for the year taking into account, but not limited to, real estate portfolio structure, portfolio strategy, property type exposure and economic region diversification.
- vii. Evaluate investment opportunities, including meeting with investment managers and reviewing their qualifications and track records.
- viii. Review and act on recommendations for SBCERS' real estate investment strategies, including the review of appropriate asset class goals and objectives, asset allocation, cash flow forecasting and investment pacing.
- ix. Conduct due diligence reviews of partnership proposals, including legal terms and structure, and tax structure of prospective additional investments.
- x. Review, evaluate and negotiate key partnership terms and side letters, using consultant's legal counsel (outside or internal), at consultant's expense, to ensure SBCERS is subject to appropriate legal protections and is in compliance with all regulatory requirements.
- xi. Complete subscription documents.
- xii. Provide wire notifications to SBCERS' custodian bank, staff, and other relevant parties.
- xiii. Attend at least four Board of Retirement meetings annually. Meetings typically consist of presentation of quarterly reports, strategic plan, and two educational presentations to the Board per year.
- xiv. Perform other services which may be required to ensure a successful real estate investment program as needed or at the request of the Board or staff including making the firm available at any time to answer ad-hoc questions, either by phone or by email or providing periodic ad-hoc research and analysis.
- xv. Tax reporting and filing.

2. Investment Sourcing and Selection

- i. Develop a structured, on-going process to screen the global universe of available real estate investments in the U.S. and non-U.S. (for both open and closed end real estate investment funds) and identify those opportunities which are consistent with SBCERS' real estate policy and

real estate strategic investment plan; provide monthly reports to SBCERS staff summarizing screening activity.

- ii. Evaluate prospective investments and engage in comprehensive due diligence that may include general partner site visits and background and reference checking.
- iii. Present investment reports to the Board and staff. Reports shall include, but not be limited to, full results of the consultant's comprehensive due diligence, strategic considerations, partnership reviews, commitment amount, fees, and how the investments complement and/or fit into the overall real estate portfolio.

3. Portfolio Management and Performance Measurement

- i. Provide on-going monitoring and regular updates/assessments of relevant operational and/strategic changes with investment managers, including, but not limited to, performance, organization, ownership, investment products, and disclosure issues
- ii. Ensure that investment managers comply with the terms of their contracts.
- iii. Notify the Board of any identified material issues that may impact investment performance and recommend a course of action to enhance returns or mitigate risk.
- iv. Represent the System in work-out situations, breaches or violations of limited partnership and side letter provisions, and fund dissolutions as may arise.
- v. Maintain information on portfolio exposure to vintage years, strategies (core, value-add, and opportunistic), property types, geographic diversification, and leverage by portfolio type.
- vi. Maintain historical information on all cash flow, net asset values, commitments (total, funded and unfunded), fee payments, cost basis and returns on each investment.
- vii. Calculate performance metrics including IRR and multiple calculations measured against performance benchmarks.
- viii. Review and analyze investment capital calls and distributions received by SBCERS and certify in writing the accuracy and conformance to the terms of the limited partnership agreement.

- ix. Prepare quarterly performance reports for total portfolio. The reports shall include at a minimum: market overview and outlook, allocation breakdown by geography, strategy, property type and leverage, update on each fund, listing of each fund by strategy, date of commitment to each fund, commitment among to each fund, drawdown amounts by fund, outstanding commitment by fund, distribution amounts by fund, fund net asset values, and IRR and multiples of each fund.
- x. Provide online, real-time client access to review cash flows and performance data by individual investment, strategy, and portfolio type.
- xi. Provide assistance with compiling appropriate information to satisfy public information requests or public reporting requirements in accordance with applicable state laws, including without limitation, Cal. Govt. Code §6254.26(b) and Cal. Govt. Code §7514.7.
- xii. Provide market value, performance reconciliation and in-depth reporting, and verification of management fees and expenses.

F. Minimum Qualifications for Proposal

The Proposer should meet all of the following minimum qualifications as of December 31, 2021, to be given further consideration:

1. The firm must be registered as an investment advisor under the Investment Advisor Act of 1940. It must be prepared to acknowledge in writing that it has a fiduciary obligation as an investment advisor in providing investment consulting services to SBCERS.
2. The firm must have at least five (5) existing institutional real estate consulting relationships, each with real estate assets of at least \$100 million. Types of clients considered institutional are endowments, foundations, corporate pension plans and tax-exempt public funds.
3. At least two (2) of the existing real estate consulting client relationships must be discretionary mandates, similar to the scope of services in this RFP.
4. The firm must have at least ten (10) years of continuous experience in performing real estate consulting for large institutional clients (endowments and foundations, corporate pension plans and tax-exempt public funds). Aggregate real estate assets under advisory contracts must total at least four (4) billion U.S. dollars.
5. The firm must carry insurance including Errors and Omissions at levels that are acceptable to SBCERS.

6. At least one key professional assigned to SBCERS' account must have a minimum of ten (10) years of experience (five (5) of which have been with the current firm) recommending real estate investment programs for institutional clients.
7. The firm must maintain, or have unrestricted access to, a database of sufficient size and scope to complete the analysis of the returns of a significant number of real estate investment partnerships by structure, size, industry, geography, type, and stage of development.
8. The firm must provide or retain counsel, at its own expense, to review and negotiate fund documentation, including the negotiation of side letter provisions pertaining to SBCERS' unique legal status as a California public pension plan.
9. The firm must not have existing or potential material conflict of interest with SBCERS Board Members, Santa Barbara Board of Supervisors, SBCERS other consultants or SBCERS staff.

G. Evaluation Criteria

SBCERS will evaluate the proposals in accordance with the evaluation criteria listed below:

Criteria
a. Relevant consulting and client experience
b. Firm resources
c. Proposed consulting team
d. Firm stability
e. Firm Independence and Legal Support Capacity
f. Investment Selection Process and Due Diligence
g. Client service/satisfaction (references)
h. Fees
i. Other

H. Frequently Asked Questions (FAQs)

1. What prompted the search?

The contract with the current real estate consultant was first executed in 2010 and renewed in 2017. In keeping with best practices and the Board's fiduciary duty to its members, the Board is undertaking a genuine search for a real estate consulting firm that will best meet the needs of SBCERS for the future.

2. Who is the incumbent investment consultant?

SBCERS' incumbent real estate consultant is ORG Portfolio Management.

3. Will the incumbent consultant be invited to rebid?

Yes, the incumbent real estate consultant is invited to rebid.

4. What strategic projects are likely to be undertaken by the new consultant at the outset of the engagement?

SBCERS is not considering any new strategic projects at this time but will consider any recommendations in this regard by the real estate consultant.

5. What is the board's schedule with respect to monthly meetings that the investment consultant would be expected to attend?

The real estate consultant is expected to attend a minimum of four Board meetings annually. The investment-oriented meetings are generally held on the fourth Wednesday of every month. In addition to regular meetings of the Board of Retirement, the consultant is asked to attend an annual retreat of the Board of Retirement which is a 1-2 day event held annually.



SECTION II: PROCESS FOR SUBMITTING PROPOSAL

A. Submission of Proposal

The deadline for submission of the proposal is **5:00 pm PST, June 15, 2022**. Each proposing firm must submit seven (7) printed copies, including one with original signatures and marked "Original" with an electronic copy on CD or flash drive **AND** a copy emailed to the address below.

Please address printed copies and CD or flash drive to:

Mrs. Rebecca M. Valdez and Mr. Hendrik Struik
Investment Team
Santa Barbara County Employees' Retirement System
130 Robin Hill Road, Suite 100
Goleta, CA 93117

Please address the emailed electronic copy to:

Mrs. Rebecca M. Valdez and Mr. Hendrik Struik
Investments Team
Investments@sbcers.org

Note that both the electronic copy and the paper copy shall include signatures as required by this RFP.

B. Timeline for Search and Selection Process

April 27, 2022	RFP published and posted on website
May 11, 2022	Deadline for submission of questions concerning the RFP, and intent to respond
June 15, 2022	Deadline for submission of proposals
Aug 25 – Sep 12, 2022	Tentative interview dates
November 16, 2022	Tentative finalist presentation to Board

SBCERS will make best efforts to follow the above timeline but reserves the right to amend it as necessary.

C. Intent to Respond

Firms intending to respond to this RFP are asked to send an Email to **Rebecca M. Valdez and Hendrik Struik, SBCERS Investment Team** at Investments@sbcers.org by **May 11, 2022**. Failure to do so shall NOT preclude firms from submitting a proposal prior to the June 15, 2022, submission deadline.

D. Quiet Period, Questions, and Communication Regarding the RFP

The Board has designated a "quiet period" for the duration of the real estate consultant search and selection process, during which time Trustees may not knowingly

communicate with consultant candidates, except for official search-related interviews, due diligence and ongoing business with the current consultant.

To assist the Board and SBCERS staff in implementing this quiet period, all questions regarding the intent or content of this RFP or the proposal process must be directed in writing to **Rebecca M. Valdez and Hendrik Struik, SBCERS Investment Team** by email at Investments@sbcers.org on or before **May 11, 2022**.

E. Addenda to Request for Proposals

SBCERS may modify this RFP, prior to the proposal due date, by issuing written addenda. Addenda will be posted on SBCERS' website at <https://www.sbcers.org/>. The Proposer shall be responsible for ensuring that its proposal reflects any and all addenda issued by SBCERS prior to the proposal due date regardless of when the proposal is submitted. Therefore, SBCERS recommends that Proposers review the SBCERS website frequently, including shortly before the proposal due date, to determine if they have received all addenda.

F. Ambiguity and Omissions in RFP

Proposers are responsible for reviewing all portions of this RFP. Proposers are asked to promptly notify SBCERS, in writing, if the Proposer discovers any ambiguity, discrepancy, omission, or other errors in this RFP. Modifications and clarifications will be made by addenda as provided above.

G. Preparation of the Proposal

1. Format of Proposal

The proposal must be sequentially page numbered, organized and indexed in the following format:

- a. Letter of Transmittal
- b. Response to Questionnaire
- c. References
- d. Fee Proposal
- e. Additional Materials and Documents

Please Note: Signatures of principals or officers authorized to bind the Proposer are required in the Letter of Transmittal and the Fee Proposal.

2. Response to Questions and Requests for Information

Respond to all questions, and requests for information, in the order that they are presented in Section III Part B of this RFP. Documents and materials requested in Section III: Part C shall be included as Exhibits to the Proposal, as specified therein.

Be clear and succinct, do not make references within the answer (e.g., "See Compliance Manual"). Ensure that each response is specific to the question asked or

information requested. Unnecessary or superfluous information will be disregarded. Incomplete or misleading responses may lead to the rejection of the proposal and elimination of the firm from the search process.

At any time during the proposal evaluation process, SBCERS may require a Proposer to provide oral or written clarification of its proposal. However, SBCERS reserves the right to make an award without further clarifications of proposals received.

3. Revision of Proposal

A Proposer may revise a proposal on the Proposer's own initiative at any time before the deadline for submission of proposals. The Proposer must submit the revised proposal in the same manner as the original. A revised proposal must be received on or before the proposal due date.

In no case will a statement of intent to submit a revised proposal, or commencement of a revision process, extend the proposal due date for any Proposer.

4. Errors and Omissions in Proposal

Failure by SBCERS to object to an error, omission, or deviation in the proposal will in no way modify this RFP or excuse the Proposer from full compliance with the specifications of this RFP or any contract awarded pursuant to this RFP.

SBCERS reserves the right to waive or permit correction of any minor inconsistencies, errors, or omissions prior to the final evaluation of the proposal, and to ask for clarification on any issues, or to take any other measures with respect to this RFP in any manner necessary to serve the best interests of SBCERS and its beneficiaries.

5. Financial Responsibility and Ownership of Documents

Any cost incurred in the preparation, submission or presentation of proposals shall be borne solely by the proposing firm. Responses to this RFP and associated materials will become the property of SBCERS and may be returned only at SBCERS' option.

6. Governing Law

This procurement and any agreement with Proposers that may result shall be governed by the laws of the State of California. Submission of a proposal constitutes acceptance of this condition.

7. California Public Records Act

Materials contained in proposals are subject to the California Public Records Act (Cal. Gov. Code Sections 6250 et. seq., "The Act"), and, after a contract has been awarded, may be viewed and copied by any member of the public, including news agencies and competitors. If any portion of a proposal is believed to be exempt from

public disclosure under the Act, such portion must be marked "TRADE SECRETS", "CONFIDENTIAL" OR "PROPRIETARY", as applicable, and made readily separable from the rest of the proposal. SBCERS will seek to maintain the confidentiality of information so designated to the extent permissible under the Act. Proposals marked in their entirety with a confidential designation, or other designation indicating exemption from public disclosure, will not be considered confidential or exempt from disclosure under The Act and SBCERS will not deny public disclosure of all or any portion of such proposals.

H. Cancellation of the RFP

SBCERS reserves the right to cancel this RFP at any time, and to reject any and all proposals submitted in response to this RFP if it is in SBCERS' best interest. This RFP in no manner obligates SBCERS to the procurement of services until a written contract is entered into, negotiation of which may be terminated at any time by SBCERS. If negotiations fail, SBCERS may accept another submitted proposal, at its option. SBCERS may terminate negotiations at any time prior to the signing of a contract.

SECTION III: INFORMATION TO BE PROVIDED

Part A: Letter of Transmittal

The Proposal must include a Letter of Transmittal or cover letter signed by one or more individuals who are authorized to bind the firm contractually. The Letter of Transmittal shall be considered an integral part of the Proposal and must contain the following:

1. Identify the proposal as "2022 SBCERS Real Estate Consultant RFP".
2. Submitting Firm's official name, no nicknames (e.g. "International Business Machines, Corporation" not "IBM") and website.
3. The Proposer's name, address, and telephone number.
4. The name, title or position, telephone number and email address of the individual signing the cover letter.
5. A statement indicating the signature is authorized to bind the Proposer contractually.
6. A statement to the effect that the proposal is a firm and irrevocable offer subject to acceptance through December 31, 2022.
7. A statement expressing the Proposer's availability of staff and other required resources for performing all services and providing all deliverables specified within.

8. A statement that the proposing firm meets the Minimum Qualifications for the Proposal set out in Section I.F of this RFP.

9. A statement confirming that if selected the firm is prepared to enter into a contract stipulating that it has a fiduciary obligation in providing investment consulting services to SBCERS.

10. A statement that the firm acknowledges that all documents submitted pursuant to this RFP will become a matter of public record, except those portions which are claimed and determined to be exempt from disclosure under The Act, as set forth in Section II.G above.

Part B: Questionnaire

In completing this questionnaire, please ensure the text of each question precedes your response. A separate MS Word version of the Questionnaire will be made available to interested firms in order to facilitate the preparation of proposals.

Be clear and succinct in your response. Ensure that each response is specific to the question asked or information requested, and follows the format requested (e.g., "Indicate Yes or No", "Select the correct response", "Complete the table provided"). Unnecessary or superfluous information will be disregarded.

Word limits have been given for certain questions to give each firm an indication of the level of detail being sought. Any information provided beyond the word limit may be disregarded.

Please note that there is a maximum page limit of 50 pages for Part B: Questionnaire, including the questions as presented.

A. Organization

1. Section 1.E of this RFP sets out the scope of services for the real estate consultant. Please confirm that you are proposing to deliver all services listed within the scope (Indicate "Yes" or "No"). If you answer "No", list any exceptions.

2. Does the firm acknowledge that, should it be retained as the real estate consultant, it would be serving as a fiduciary for SBCERS? (Indicate "Yes" or "No")

3. Provide the following information on the primary and secondary RFP contacts with the firm:

	Primary Contact Within the Firm
Name	
Title	
Telephone Number	
Email Address	

	Secondary Contact Within the Firm
Name	
Title	
Telephone Number	
Email Address	

4. Provide the address of the office that will service this account. If you have other office locations, provide the address and telephone number for each office, and briefly explain the primary functions performed within these offices.

5. Give a brief history of your firm, including (maximum of 2 pages):
 - i. Year of inception.
 - ii. Number of years providing full service, discretionary real estate consulting.
 - iii. Number of years of providing full service, discretionary real estate consulting to U.S. public pension plans.
 - iv. Business philosophy and goals.
 - v. Historical and current ownership structure, including parent company, affiliations and subsidiaries. Attach as **Exhibit #1**, the organizational chart for current ownership structure, including the real estate consulting unit.
 - vi. Name and title of any one owner who controls more than 50% of the firm and/or has an equity stake in the organization.
 - vii. Significant organizational development for the past 5 (five) years, if any.
 - viii. State the overall business objective of the firm's real estate consulting service with respect to future growth during the next five years. Note any planned areas of emphasis in the near future, including the total number of consulting relationships that will be accepted.

6. Is the firm registered as an investment advisor under the Investment Advisors Act of 1940? (Indicate "Yes" or "No")

7. Please describe your business continuity plan. Have you ever had to activate any parts of the plan? If so, describe the effectiveness of the plan and any post-activity modifications to that plan.

8. Please list your top 5 competitors using the format below:

Number	Name of Competitors
1	
2	
3	
4	
5	

9. For the past 5 (five) calendar years, please list all services provided by the firm and the revenues generated by these services using the following format (add rows as necessary):

	Source of Revenue (US\$ in thousands)	2021		2020		2019		2018		2017	
		\$ Revenue	% of Total Revenue								
1	Real Estate Consulting: Discretionary										
2	Real Estate Consulting: Non-Discretionary										
3	Non-Consulting Services										
4	Non-Real Estate Services										
	Total Revenue										

For discretionary service, please complete the following table (add rows as necessary):

	Source of Revenue (US\$ in thousands)	2021		2020		2019		2018		2017	
		\$ Revenue	% of Total Revenue								
1	Fund-of-funds										
2	Brokerage										
3	Other Discretionary Services										
	a.										
	b.										
	c.										
	d.										
	e.										
	f.										
	Total Discretionary Revenue										

10. If the firm has a parent company, please list the percentage (%) of total income that the firm's consulting services represent to the ultimate parent company for each of those years:

2017	2018	2019	2020	2021

11. Does the firm sponsor fund-of-funds or other investment funds? (Indicate "Yes" or "No") If yes, describe the funds in the tables below (add rows as necessary):

Name of Fund-of-Fund	Year Raised	Size of Fund (\$M)	Focus of Fund

Other Funds	Year Raised	Size of Fund (\$M)	Focus of Fund

12. Describe the firm's fee structure for managing funds-of-funds or other investment funds for clients.

13. Does your firm subcontract or outsource any parts of your real estate consulting business? Please describe in detail which functions are performed externally and reason for doing so. Please provide the names of the providers, office locations, number of years in business, and the qualifications of the specific people who will be working on our account.

14. How has this service arrangement between discretionary and non-discretionary evolved since the firm's founding? Has your firm moved away from non-discretionary or discretionary engagements within the last 10 years? If so, please explain why.

15. Confirm that firm carries insurance, including Errors and Omission Insurance. Please provide the information in the below table for all relevant insurance coverage:

Carrier	Type of Insurance	Coverage Limits

16. Will the firm provide or retain counsel at its own expense in order to review and negotiate fund documentation, including the negotiation of side letter provisions pertaining to SBCERS's unique legal status as a California public pension plan? (Indicate "Yes" or "No").

B. Standard of Conduct

1. Disclose any financial or other relationship you have or have had with any SBCERS Board Member, Santa Barbara Board of Supervisors, consultant, or SBCERS employee. If there are no conflicts of interest please state, "There are no conflicts of interest to report."
2. Disclose any gifts (meals, tickets, anything of value of \$50, etc.) that you have given to any SBCERS Board Members, Santa Barbara Board of Supervisors, consultant, or SBCERS' employee in the last 12 months. If "Yes", please disclose them using the format below (add rows if necessary):

No.	Date (mm/dd/yy)	Given to	Description of Gifts	Value (US\$)

3. Does your firm provide real estate consulting services to real estate managers (i.e., fund-of-funds managers, discretionary real estate managers)? If so, please explain how you manage conflicts of interest.
4. Does your firm manage its own real estate fund-of-funds? If so, how does your firm allocate real estate investment opportunities between your separate account clients and the fund-of-funds that you manage and ensure that there are no conflicts of interests?
5. Would your firm ever recommend a fund-of-funds managed by another investment manager over your own fund-of-funds?
6. If the firm managers/owns real estate investments, how do you handle due diligence and formulating investment recommendations for investments that may complete with the firm?
7. Does your firm (includes the affiliates/subsidiaries) or your employee have relationships with real estate managers that you recommend, consider for recommendations, or otherwise mention to the plan for our consideration? If so, please describe the relationships including any payments received and those payments in relation to your other income (revenue).
8. Describe all arrangements or understandings (written or oral) between the firm and any advisor, placement agent, broker, law firm or other individual or entity in connection with the solicitation or referral of clients.

9. What potential conflicts of interest are posed by other activities undertaken by the organization, if any? How are these addressed?
10. Do you have any written policies or procedures to address conflicts of interest, including but not limited to the payment of fees or other consideration from other clients, relationships, or entities that may compromise your fiduciary duty to your clients? If so, please provide a copy as **Exhibit #2**.
11. For the past 10 years has the firm, its officers or principals or any member of the client team ever:
 - i. Been the focus of a non-routine Securities and Exchange Commission (SEC) inquiry or investigation from any similar federal, state, or self-regulatory body or organization
 - ii. Been a party to or settled any litigation concerning breach of fiduciary responsibility or other investment related matters,
 - iii. Submitted a claim to your error & omission, fiduciary liability and/or fidelity bond insurance carrier(s)
 - iv. Been involved in any business litigation, criminal, or other legal proceedings
 - v. Have any pending lawsuits against it (excluding personnel-related lawsuits)?

If "Yes" to any of the above, please provide details and the current status of the disposition.
12. Has the firm adopted the CFA Code of Ethics and Standards of Professional Conduct? Does the firm have a written code of conduct or set of standards for professional behavior? If so, please attach relevant policies as **Exhibit #3**?
13. Does your firm have a dedicated, full-time compliance officer? If "yes": please provide a brief biography of this person including name, titled, and compliance experience in **Exhibit #4**. If "no," please explain who manages conflicts.
14. Does the firm hold or sponsor real estate investment managers or client conference? If "Yes," describe such events occurring in the last year, their usual

- frequency, and whether the cost of such events is paid by the firm or event attendees.
15. Describe any financial relationships that exist with other organizations such as brokerage firms, insurance companies, commercial banks, investment banks investment management firms, etc.
 16. What is your firm's position on third-party placement agents, and do you currently engage or do business with such service providers? What is the policy for disclosure of placement agents? When and who is responsible for paying the placement agent fees? Is there one-for-one reduction in management fee of the fund for the placement agent fee?
 17. Does the firm or any affiliate company provide any services to, or receive any compensation from, investment managers, including but not limited to: (i) charges for inclusion in the firm's database, (ii) conference fees, (iii) brokerage commissions, (iv) purchase of software, (v) consulting services, etc.? (Indicate Yes or No). If you answered "Yes", briefly describe the nature of these services and compensation.
 18. Do you have any affiliates, divisions, or investments in joint ventures that would be involved in the management of our assets under this assignment? (Indicate Yes or No) If you answered "Yes", provide details.
 19. Does the firm or any affiliate provide any services or conduct any business with SBCERS' current real estate managers? Please see **Appendix I** for a list of current managers. (Indicate Yes or No) If you answered "Yes", provide the names of such managers, and, where appropriate, the name of the affiliate.
 20. Does the firm or any employee of the firm invest their own capital in investment opportunities that they also recommend for clients? (Indicate Yes or No) If "yes", please explain how potential conflicts that arise from these activities are mitigated.
 21. Describe all arrangements or understandings (written or oral) between the firm and any advisor, placement agent, broker, law firm or other individual or entity in connection with the solicitation or referral of clients.

22. Does the firm use internal or outside counsel for legal review of partnership agreements and subscription documents? Describe the experience of the internal legal team in **Exhibit #4** or outside firms proposed to be used.
23. Who negotiates client-specific side letters and how successful has the firm been in obtaining favorable terms on behalf of their clients?
24. How does the firm ensure the execution of fiduciary best practices and legal compliance for public plans?
25. Please describe the steps you have taken, if any, to assist those clients in complying with the Government Code Section 7514.7 with respect to private real estate investments.
26. Describe the firm's policy or positions regarding requests pursuant to the California Public Records Act and/or similar public disclosure laws in other jurisdictions.

C. Clients

1. Provide the number of institutional clients with assets at least \$1 billion which the firm has serviced in a full-retainer capacity for the past 5 years using the following format (add rows as necessary):

	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17
Number of Clients					
U.S. Public Pension Plan					
Corporate Pension Plan					
Endowments/Foundations					
Others (please specify)					
Total Number of Clients					
Total Assets Under Advisement (US\$ thousands)					
Corporate Pension Plan					
Endowments/Foundations					
Others (please specify)					
Total Number of Clients					

2. For the U.S. public pension plan clients please state the total asset under advisement, using the following format (add rows as necessary):

Investment Vehicles	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17
Direct Investments					
Commingled Funds (Open and Closed-End)					
Firm's managed Fund-of-funds					
Firm's managed 3 rd party Fund-of-funds					
Co-Investments					
Other (please specify)					
Total Assets Under Advisement (US\$ thousands)					

3. Provide the number of full-retainer clients gained and/or lost for the periods listed below:

	12/31/21	12/31/20	12/31/19	12/31/18	12/31/17
Number of Clients Gained					
Number of Clients Lost					
Total Number of Clients at Year End					

4. For the number of clients lost (as indicated in your response to the previous question) provide the information using the format below. Please select from the following Reason(s) for Termination in your response: Firm Dismissed Outright, Contract Rebid – Firm Not Retained, Firm Asked Not to Rebid, Firm Reassigned Client Relationship, Plan Merger or Consolidation, Other (add rows as necessary).

No.	Client Name	Type of Plan*	Assets Under Advisement at time of termination (US\$000)	Reason(s) for Termination
1				
2				
3				
4				
5				

*Public, Corporate, Endowments/Foundations, etc.

5. Complete the following table by indicating the number, types, and size of clients for which the **firm** provides **discretionary** real estate consulting services, as of December 31, 2021 (add rows as necessary).

Discretionary Mandate Types of Clients	Number of Firm's Clients (By Type and Client's Total Asset Value)			
	Under \$250M	\$250M to under \$1B	\$1B to \$5	Greater than \$5B
Public Pension Plans				
Corporate pension plans				
Taft-Hartley plans				
Foundations/Endowments				
Other (specify)				

6. Are at least two (2) of the existing real estate consulting client relationships discretionary mandates similar to that scope of services in this RFP? (Indicate "Yes" or "No").
7. Has the firm provided at least ten (10) years of continuous experience in performing real estate consulting to clients with aggregate assets (real estate only) totaling at least seven (7) billion U.S. dollars? (Indicate "Yes" or "No").

D. Professional Staff

1. Please list all members of the firm who would have direct responsibility for SBCERS' account or who would otherwise be key or regular contacts for SBCERS' account. (add rows as necessary).

Name and Title	Job Function	Primary Office location	Years with Firm	Total years of Real Estate Consulting

2. For primary consultant(s), backup consultant(s), and support personnel complete the following information in the format below:

Investment Professional Information
Name:
Title:
Role and/or Function:
Primary Office Location:

Investment Professional Information
Number of years of experience in institutional investments:
Number of years of experience in investment consulting:
Number of years with the firm:
Educational degrees:
Professional designations:
Number of clients as Lead Consultant:
Number of clients as Secondary Consultant:
Names of clients for whom Consultant serves as Lead Consultant:
Equity ownership in the firm (%):

3. Identify and explain the role of backup consultant and other contingency plans in the case of key professionals and/or primary personnel leaving.

4. How does your firm determine which primary consultant(s), backup consultant(s) and support personnel will be assigned to a particular account?

5. For the proposed primary and all backup consultants assigned to the SBCERS account, using the format below, provide the client's name, plan type (i.e. public, corporate, endowment/foundation, etc.), the role of the consultant(s), length of relationship with the stated client, client's total plan size and client's real estate program size (based on total commitments as of December 31, 2021). (add rows as necessary)

No.	Client Name	Plan Type	Role (Primary – P or Backup – B)	Length of Relationship (in Yrs)	Total Plan Size (US\$ millions)	Real Estate Program Size (US\$ millions)
	Primary Consultant					
1						
2						
3						
4						
5						
	Backup Consultant(s)					
1						
2						
3						
4						
5						

6. What policies are in place to control the workload and the number of clients serviced by each consultant? Is there a limit on the number of accounts that a consultant may handle?

7. Explain how junior level staff are trained and developed to assume more senior level positions and cite the criteria used to promote them.

8. Which of the following types of incentive compensation are provided to staff? Please indicate whether the compensation applies to all staff, senior staff, key employees, or principals only. How does the firm tie client performance and satisfaction to a consultant's performance?

Type of Compensation	Yes/No	All	Senior/Key	Principals
Bonus				
Profit Sharing				
Stock Ownership				
Stock Options				
Other Equity Participation				
401(k) or Other Deferred				
Other (Please specify):				

9. Does the lead Consultant who would be assigned to SBCERS' account have a minimum of ten (10) years of experience (as of December 31, 2021) in real estate investments or real estate consulting to institutional fund clients including public and/or private pension plans? (Indicate "Yes" or "No").

10. Has the lead consultant been with the firm for at least five (5) years? (Indicate "Yes" or "No").

11. In column 2 below, indicate the number of total professional staff the firm currently employs in each of the categories listed in column 1. (Each person should be assigned to only one category).

(1) Category of Staff	(2) Number of Staff
Senior Investment Professionals (Consultants and/or Portfolio Managers)	
Junior Investment Professionals (Investment Analysts)	
Dedicated Executive Management Staff	
Other Non-Investment Professionals	
Technical/IT staff	
Administrative staff	
Total Staff	

12. Provide the average number of clients assigned to real estate consultants in the firm, in both lead and support roles. Indicate the maximum limit, if any, on the number of clients assigned per consultant.

Role as Consultant	Average No. of Clients	Maximum Limit per Consultant if applicable
Lead Consultant		
Support Consultant		

13. Of the Consultants listed above, how many are fully dedicated to real estate consulting? Do consultants work on other asset classes?

14. How many staff have acquired professional designations such as the CFA, CAIA, FSA, etc.? How many are currently enrolled in these programs?

Professional Designation	Acquired	Enrolled
Chartered Financial Analyst (CFA)		
Chartered Alternative Investment Analyst (CAIA)		
Fellow of the Society of Actuaries (FSA) or Member of the American Academy of Actuaries		
Other (specify):		

15. Using the following table, indicate the number of discretionary real estate consulting clients that the firm and lead consultant currently has by length of service with the firm, as of December 31, 2021.

Length of Service	Number of Clients (Firm)	Number of Clients (Lead Consultant)
Less than 1 year		
1-4 years		
5-10 years		
Over 10 years		

16. Using the following table, indicate the number of advisory real estate consulting clients that the firm and lead consultant currently has by length of service with the firm, as of December 31, 2021.

Length of Service	Number of Clients (Firm)	Number of Clients (Lead Consultant)
Less than 1 year		
1-4 years		
5-10 years		
Over 10 years		

17. Using the following table, please indicate staff turnover over the past five calendar years (2017-2021), place an (*) by the name if the person was considered to be Key Personnel by the firm:

Name	Position	Years with the Firm	Date of Departure	Reason for Leaving

18. What is total staff turnover (in percentage) over the past five calendar years (2017-2021)?

19. How does the firm manage the risk that key professionals leave the firm either as a group or individually?

E. Philosophy and Approach

1. Describe the firm's philosophy and approach with respect to real estate consulting for a defined benefit U.S. public pension plan. Would this philosophy and approach change with significant market disruptions or changing economic conditions? (maximum 1 page).
2. Does your firm favor or specialize in any particular strategy (core, value-add, and opportunistic) or property types (residential, industrial, office, retail, hotel, other real estate) of the real estate market? Please elaborate on the pros and cons of the various strategies and how you might position SBCERS' real estate portfolio to gain diversification and achieve high levels of risk-adjusted returns (maximum 1 page).
3. Describe any quantitative factors used and their application at asset class level and/or investment level.

4. Describe any qualitative factors used and their application at asset class level and/or investment level.
5. Briefly describe the firm's market outlook for the real estate investment markets.
6. Would the firm describe itself as more "bottom-up" or "top-down" in portfolio construction?
7. How does the firm measure and compare relative differences of risk and return among strategies (core, value-add and opportunistic)? Property Types? Sectors? Please include as **Exhibit #5**.
8. Please provide samples of no more than three pages or short research communications on real estate provided to your clients. Attached as **Exhibit #6**.

F. Investment Policy

1. Describe the manner in which the firm will assist SBCERS in developing, memorializing, and monitoring the following:
 - i. Investment policy
 - ii. Objectives and strategies
 - iii. Benchmarking
 - iv. Risk assumptions
 - v. Asset mix and permitted ranges for each sub-asset class
 - vi. Rebalancing policies
 - vii. Qualitative and quantitative portfolio oversight procedure
 - viii. Provide an example of a real estate investment policy (maximum 2 pages). In the policy, briefly address any economic/market assumptions and how the strategy achieves its objectives given the current and future changes in interest rates, inflation, supply and demand constraints, etc. Please attach this as **Exhibit #7**.
2. Based on your knowledge of SBCERS and its Investment Policy Statement, provide an approach you would take in revising the SBCERS Private Real Estate Policy in terms of direction, performance, and the risk of the total program (maximum 1 page).

G. Asset Allocation

1. Explain how the firm determines its real estate strategic allocation policy (i.e., the allocation between core, value-add, and opportunistic)? Please explain briefly.
2. How does your global outlook influence your views on real estate programs and policy?
3. Describe the firm's coverage of U.S. vs Non-U.S. real estate markets. What resources does the firm utilize in sourcing and monitoring investments outside the U.S.?
4. What is your internal policy for allocating real estate investment opportunities across clients? How do you allocate over-subscribed investment opportunities across clients? (If you have a written policy please attach as **Exhibit #8**)
5. What are the different real estate asset segments that the firm will typically consider when planning an investment program?
6. Outline the firm's process for monitoring and reporting on market trends.
7. Discuss the firm's experience and philosophy regarding direct investments or co-investments in real estate.
8. Does the firm or any affiliate provide any services or conduct any business with SBCERS' current real estate managers? Please see **Appendix I** for a list of current managers. (Indicate Yes or No) If you answered "Yes", provide the names of such managers, and, where appropriate, the name of the affiliate.
9. Explain the transition process of moving an active real estate program from the incumbent consultant to your firm. What issues would arise and what problems might be incurred as a result of the transition? Please be as specific as possible.
10. Describe the firm's actual investment commitments (in terms of vintage year, total USD amount, property taxes, etc.) made in the following North American (please specify states) and International markets (maximum 2 pages). Briefly state reason if you do not invest in any of these markets.
 - i. West
 - ii. Midwest
 - iii. South
 - iv. East

v. International (please specify countries or regions)

11. Over the next three to five years, which of the markets listed in the previous question do you intend to focus new investments in or exit from? Why do you believe opportunities exist or do not exist in these markets?

H. Firm Capabilities and Implementation

1. Indicate the types of investment strategies and vehicles that the firm has experience with for defined benefit U.S. public pension fund clients.

Investment Vehicle	Experience: Yes/No
Open-End Commingled Funds	
Closed-End Commingled Funds	
Direct Investments	
Public Real Estate Securities	
Co-Investment Opportunities	

2. Describe the optimal situation for using one of the following investment vehicle types versus the others (maximum 1 page):

- i. Open-End Commingled Funds
- ii. Closed-End Commingled Funds
- iii. Direct Investments
- iv. Public Real Estate Securities
- v. Co-investment Opportunities

3. Explain the firm’s overall investment process for a full service, discretionary relationship. Include how do you construct portfolios to optimize diversification across the number of general partner relationships, number of fund commitments, capital commitment per fund, property type, etc.?

4. Describe how the firm sources new investment opportunities. Does your firm prefer to strengthen existing relationships and do follow-on funds or seek new general partners to find added value? Explain how investment recommendations are identified and monitored within the firm.

5. What is your approach to allow the client to source its own partnerships funds for referral to the real estate consultant? Please describe any experience your firm may have in this arrangement.

6. Briefly describe the firm's approach to evaluating non-U.S. and Non-Western European real estate investments. How does the firm's process for evaluating these investments differ from U.S. and Western European investments?
7. Briefly describe the firm's experience with opportunistic, non-traditional real estate investments.
8. Under what circumstances would your firm recommend investing in a fund-of-funds real estate vehicle versus investing directly in limited partnership funds? What would be an optimal percentage between the two for a client like SBCERS? Briefly explain.
9. Please list specific services provided to clients regarding transaction management, fund accounting and fund administration capabilities. Please include:
 - i. Assigned staff, their background and experience,
 - ii. Cash flow monitoring and fund pacing,
 - iii. Accounting and reporting systems,
 - iv. Internal controls and procedures for validating and tracking capital calls, funding commitments, partnership management fees and other expenses or cash flows related to partnership investments on behalf of clients,
 - v. Steps taken to assure timely notification of capital calls and distributions from partnerships.
10. Describe the firm's partnership monitoring philosophy and process. What criteria are evaluated? How frequently are current client investments reviewed?
11. How does the firm ensure compliance with terms of limited partnership agreements?
12. How do you verify performance information provided by fund managers?
13. Describe how you have been helpful in dissolving partnerships, assisting in a timely and orderly liquidation of assets, and selling off unwanted partnership positions.
14. Describe the firm's position on attending partnership annual meetings and serving on advisory boards. Are reports of such meetings made available to clients as part of the firm's basic consulting services?

15. Provide a list of partnerships in which the firm or any employee of the firm currently holds an advisory board seat, and whether such relationships are on behalf of clients or the firm's Fund of Funds.
16. Provide examples of portfolio status reports and other reports useful in ongoing monitoring of existing investments include as **Exhibit #9**.
17. Provide a detailed description of the peer universe to which a client such as SBCERS would be compared. Describe how benchmarks are chosen or developed for clients and how performance is compared to similar portfolios.
18. Provide examples of other reports (internal and external) that would be useful in evaluating current investment activities and providing oversight of the investment program include as **Exhibit #10**.
19. List all services provided by your firm. Which of those services are in addition to the Scope of Services described in this RFP? Also, indicate which services mentioned or referenced in this RFP that you will not provide.
20. Please discuss how the firm approaches client education. Is education provided by the primary consulting team? If so, outline their areas of expertise or recent educational presentations. If education is done by other members of the firm, outline how they work with clients to provide educational materials.
21. How do you typically assist clients with co-investment underwriting opportunities?

I. Manager Database

1. Does the firm maintain, or have unrestricted access to, a database of sufficient size and scope to complete the analysis of the returns of a significant number of real estate investment partnerships by structure, size, industry geography, type, and stage of development? (Indicate "Yes" or "No").
2. Which of the following best describes the firm's approach to manager databases: (select the appropriate response)?
 - i. We rely primarily on third-party investment manager databases for manager data. (If a is selected, indicate third-party database used and/or describe the proprietary database and its capabilities.)

- ii. We rely primarily on our own proprietary real estate manager databases for manager data.

3. Describe your database that is used for manager searches:

- i. How many of the following do you maintain?

Managers/Advisors	
Direct Investments	
Commingled Funds Open-End	
Commingled Funds Closed-End	
Fund-of-Funds	
Secondaries	
Co-Investments	

- ii. Is your database purchased or proprietary?
 - iii. How do you gather, verify, analyze, and update manager information?
 - iv. How frequently do you update manager information?
 - v. How many years of performance data is on the system, and are simulated returns included?
 - vi. What level of detail is included in your database for screen purposes (e.g., assets under management, client information, staffing information, research capabilities, ownership fees, organizational changes, etc.)?
 - vii. What are the specific criteria used to determine the investment strategy (core, value-add, opportunistic) for an investment manager or product?
 - viii. What criteria and/or benchmark do you use in evaluating managers in order to determine “top quartile”?
4. Do you receive a fee or other consideration from investment managers who wish to be maintained on your database?
5. Do you sell database information? Do you receive compensation directly or indirectly from the sale of this information? What percentage of your revenue do you derive from sales to or subscriptions from investment managers on your database?
6. What criteria do you use in evaluating each fund manager for inclusion the database? List screening steps and fundamental requirements.

J. General Partner Searches

- 1. Using the table below, indicate the number of funds/managers the firm reviewed, met with, conducted due diligence on and ultimately recommended to, or invested on behalf of clients over the past three years ending December 31, 2021 (add rows as necessary).

Fund/Manager	Reviewed	Met with	Due Diligence	Recommended/ Invested
Strategy: Core				
Strategy: Value added				
Strategy: Opportunistic				
Types: Office				
Types: Retail				
Types: Industrial				
Types: Apartments				
Types: Others				
Region: US				
Region: Non-US				
Public/Liquid				
Total Fund/Manager				

- Using the format below, list a sample of the “top quartile” funds that your firm has made commitments to starting vintage year 2017 for U.S. Public Pension plan clients(add rows as necessary). (Conceal names as appropriate)

Top Quartile Funds	Vintage Year	Strategy (Core, Value, Opportunistic)	Gross IRR as of 12/31/2021

- Using the format below, please list the firm’s top 10 existing general partner relationships where your firm has made a commitment to at least two or more of their funds. For confidentiality purposes, instead of using actual fund names, you may list them as “Fund 1, Fund 2, etc.” Briefly explain why each of these general partners is a top 5 relationship for your firm.

General Partners	Funds	Vintage Year	Strategy	Reason

- What is your process for identifying and analyzing first-time funds? How many first-time funds have you made commitments to within each of the last five

years? Using the format below, list a sample (if allowable or conceal names as appropriate) of the first-time funds you have made commitments to.

First-Time Funds	Vintage Year	Strategy (core, value or opportunistic)	Gross IRR as of 12/31/20

5. How are potential real estate investment opportunities identified? How many real estate investment opportunities have been evaluated per year since 2017?

Real Estate Investment Opportunities	2021	2020	2019	2018	2017
# Evaluated					
# Committed					

6. How do you verify manager provided information?
7. Do you contract for criminal or other background checks on GPs?
8. Discuss the number of individuals assigned to monitoring investment products and frequency of both their internal and external manager visits.
9. What percentage of time would each of the key staff assigned to the SBCERS account spend meeting with general partners as part of the due diligence process? How many due diligence sit visits are conducted each year by each of these key staff?

K. Portfolio Management and Reporting

1. Describe any comprehensive program-level risk management tools you use to understand and evaluate the various types of risk associated with a client's real estate program. Do these tools allow for look-through to portfolio companies?
2. Does the firm keep a record of all recommendations made to clients? How are consultants' recommendations to client reviewed and monitored by your organization?
3. Describe your performance measurement system:
 - i. How are investments categorized in the system? Provide the specific characteristics unique to each strategy, region, and type.

- ii. Is the property level information used for both direct and commingled fund analysis?
 - iii. Is the system proprietary or a third-party product?
 - iv. How many years of useable performance data are in your database?
 - v. What portfolio analytics are provided by the database?
 - vi. How are these analytics used in evaluating manager performance and portfolio construction?
 - vii. Does your firm follow the Global Investment Performance Standard (GIPS)? If not, please explain why.
 - viii. How are total fund performance numbers calculated?
4. Briefly describe your performance calculation methodology. Include how the firm computes partnership returns, describing the actual formula utilized, the frequency of calculation, and the treatment of cash flows, and fees.
5. What is the basis for portfolio valuations? Do you utilize the general partners' valuations? Do you independently verify the reasonableness of general partners' valuations and what tools, or service do you use to do this?
6. What benchmark(s) do you recommend for evaluating the performance of a defined benefit U.S. public pension plan's real estate program?
7. Describe the online services the firm provides to clients. Include and describe any account analysis and performance that would be available online
8. Describe the flexibility available to customize reports. Does the firm provide customized computer-based analytical or reporting tools to its clients?
9. Describe how your organization identifies problems with general partner activities and performance. Include the process by which steps are taken to rectify problems.
10. Describe the steps you have taken or would take on behalf of your clients who have partnership investments that are performing poorly, have legal issues, or where there is a non-performing general partner.
11. What challenges do you have in reporting valuations back to your clients on a timely basis? Please describe some of the issues that your firm has encountered with reporting for defined benefit U.S. public pension plan clients.
12. List the major custodian banks that your firm currently works with.

13. Are your clients able to electronically access underlying portfolio data and have the ability to export data in a usable format for additional analysis?
14. Please explain who owns the data (i.e., the consultant or the client). If the relationship with a client ends, what happens to their information?
15. Provide performance data, net of investment management fees, for the top five (5) best performing clients and the bottom five (5) worst performing clients of which the firm has discretionary authority in the below format with data as of December 31, 2021.

Clients	1 year TWR	3 Year TWR	5 Year TWR	10 Year TWR	Since Inception IRRs
Top 1					
Top 2					
Top 3					
Top 4					
Top 5					
Bottom 1					
Bottom 2					
Bottom 3					
Bottom 4					
Bottom 5					

16. Assuming information is available in a timely basis from general partners, how soon after quarter and year end are reports are delivered to clients?

L. Environment, Social and Governance (ESG) Disclosure

1. Does your firm integrate analysis of financially material environmental, social and governance issues into its investment process? Please explain.
2. Briefly describe the effectiveness of incorporating ESG to your approach?
3. Is your firm a PRI signatory? If yes, in what year did it become a signatory? Please attached your firm's ESG Policy as **Exhibit #11**.
4. Does your firm generate a Responsible Investing Transparency Report? If no, are there any plans in the future to do so?
5. Does your firm promote any ESG conscience Funds? If so, please describe how it is promoted to your clients.

Part C: References

Please identify at least three (3) clients as references including, if possible, one client reference for each of the following categories: (1) Discretionary client; (2) The client has retained the firm for a minimum of five consecutive years; and (3) A public fund client with aggregate assets between \$2B to \$5B. Assume these clients will be contacted if the firm is selected as a finalist candidate. For each reference provide the following details:

No.	Client Name	Type of Plan*	Relationship (# of years)	Contact	Title	Telephone #	Email	Allocation Policy
1.								
2.								
3.								
4.								
5.								

*Public Pensions, Corporate Pension, endowment/foundation, etc.

For each reference listed above, please complete the following tables:

No.	Client Name	Total Plan Size (US\$ millions)	Real Estate Program Size* (US\$ millions)	Number of managers monitored
1.				
2.				
3.				
4.				
5.				

*Total capital commitments as of December 31, 2021

Part D: Fee Proposal

The services listed in Section I of the RFP under "Scope of Services" should form the basis for the proposed fees in the table below. The method of payment will be set forth in a service agreement, to be entered into with the selected firm. Once the consultant is selected, the fee may be negotiated further depending on the variance from the other proposals. The proposed fees shall be guaranteed for the duration of the Contract.

1. In the table below, specify fee quote for the delivery of all services listed in Section E of this RFP under "Scope of Services" for the duration of the contract, as well as the total fees for the 5-year period. Indicate whether this fee includes travel and other out-of-pocket expenses.

Year	All Inclusive Total Fees
Year 1	
Year 2	
Year 3	
Year 4	
Year 5	
Total Fees (Year 1 to 5)	

2. Please confirm whether the firm can and will provide all of the services listed in Section E of the RFP under "Scope of Services" for the stated fee above. If not, specify any services from that list that the firm cannot or will not provide.
3. Are there any tasks/services SBCERS will be expected to retain and/or pay for? If so, describe each item specifically.



Additional Services:

1. List any additional services (i.e., not listed in Section E of this RFP under "Scope of Services") that the firm would provide and that would be included in the all-inclusive flat-fee set out above.

2. As set out in the Scope of Services, the consultant is required to attend four investment-oriented Board meetings per year. Provide the fees for attending any additional meetings that may be required by SBCERS over and above four meetings.

3. Indicate any other products or services that may be of interest to SBCERS, but that are not included in the proposed fee. Provide details on associated costs.

Other Information:

1. Please provide any additional information that may assist us in more clearly understanding the firm's fee proposal for consulting services.

Signature by Authorized Officer

Name of Firm

By

Title

Signature

Date

Part E: Additional Materials and Documents

In addition to the information requested in the RFP, please submit a copy of the following additional materials and documents:

1. An organization chart of the firm, parent, and all subsidiary and affiliated companies. (Identify as **Exhibit #1**)
2. Firm Conflict of Interest Policy. (Identify as **Exhibit #2**)
3. Firm's Code of Conduct/Ethics policy. (Identify as **Exhibit #3**)
4. Biographies of the firm's key professionals servicing SBCERS' account. This includes staff involved in delivering Real estate Consulting services, staff involved in delivering legal services to review partnership agreements, and staff involved with internal compliance. (Identify as **Exhibit #4**)
5. If the firm performs industry or asset class analyses that have been provided to clients, please submit an example of the work. (Identify as **Exhibit #5**)
6. Sample of firm research communication. (Identify as **Exhibit #6**)
7. A sample Real Estate Investment Policy Statement the firm has developed for a pension plan client similar to SBCERS. (Identify as **Exhibit #7**)
8. Firm's Allocation Policy. (Identify as **Exhibit #8**)
9. Examples of portfolio status/performance reports and other reports useful in ongoing monitoring of existing investments. (Identify as **Exhibit #9**)
10. Provide examples of other reports you feel are useful in evaluating current investment activities and providing oversight of the investment program. (Identify as **Exhibit #10**)
11. Firm's ESG Policy. (Identify as **Exhibit #11**)
12. The most recently filed SEC Form ADV, Parts I and II. Please provide the ADV in CD format. (Identify as **Exhibit #12**)
13. A copy of the firm's Business Continuity Plan. (Identify as **Exhibit #13**)
14. Please attach a proposed form contract for discretionary real estate consultant services that would be provided to SBCERS. (Identify as **Exhibit #14**)

APPENDIX I: LIST OF CURRENT MANAGERS

SBCERS Active Real Estate Managers as of December 31, 2021

Active Funds	Commitment	Vintage Year
ABR Chesapeake VI	\$10,000,000.00	2019
Abacus III	\$7,500,000.00	2014
Abacus IV	\$15,000,000.00	2017
Abacus V	\$10,000,000.00	2019
Alcion IV	\$10,000,000.00	2019
Blackstone Property Partners	\$30,000,000.00	2017
Blackstone Fund VII	\$7,500,000.00	2011
Blackstone Fund IX	\$4,500,000.00	2018
Citymark U.S Apartment II	\$15,000,000.00	2019
Citymark U.S Apartment III	\$20,000,000.00	2021
Grandview I-C	\$10,000,000.00	2020
Grandview II	\$10,000,000.00	2021
Greenfield Partners VI	\$7,500,000.00	2011
Greenfield Partners VII	\$10,000,000.00	2013
High Street VI	\$15,000,000.00	2019
High Street VII	\$15,000,000.00	2021
Invesco U.S. Income	\$20,000,000.00	2013
Longpoint Realty Fund I	\$15,500,000.00	2018
Longpoint Realty Fund II	\$15,000,000.00	2020
Lubert-Adler Fund VII	\$12,500,000.00	2013
Lubert-Adler Fund VII-B	\$10,000,000.00	2016
Lubert-Adler Recovery and Enhancement	\$10,000,000.00	2020
Lubert-Adler Workforce Housing	\$30,000,000.00	2020
Mesa West Core Lending	\$10,000,000.00	2013
Mesa West Fund IV	\$10,000,000.00	2015
Miller Global Fund VII	\$7,500,000.00	2012
Miller Global Fund VIII	\$5,000,000.00	2017
Moorfield III	\$4,685,400.00	2014
Patron V	\$5,457,000.00	2015
Prologis Europe Logistics	\$5,000,000.00	2014
Prologis US Logistics	\$15,000,000.00	2011
Rubenstein III	\$5,000,000.00	2016
Stockbridge Smart Markets	\$20,000,000.00	2012
Stockbridge Value Fund II	\$7,500,000.00	2014
Stockbridge Value Fund III	\$10,000,000.00	2017
Walton Street Core-Plus Fund	\$25,000,000.00	2021
Walton Street Debt Fund II	\$10,000,000.00	2018
Walton Street Fund VII	\$10,000,000.00	2012
Walton Street Fund VIII	\$10,000,000.00	2017
Walton Street Fund IX	\$10,000,000.00	2020

APPENDIX II: QUIET PERIOD POLICY

1. The Board, through the CEO, will initiate a "quiet" period when:
 - i. The earlier of (i) when the Board is presented with a list of potential candidate firms for consideration in a search process, or (ii) when an RFP or RFI is released to potential candidates in a search process; or
 - ii. A current service provider is placed on an official "watch status" signifying that the service provider's performance has fallen below expectations or other issues have arisen that warrant closer scrutiny; or
 - iii. The Board deems it is in the best interest of SBCERS to require that, for a limited period of time, communications between trustees and specified service providers be restricted to Board and committee meetings only.
2. The CEO or designated staff will normally report to the Board at a regularly scheduled meeting that a quiet period is to be instituted. Should urgent action be required, the CEO may institute a quiet period between meetings of the Board, in which case the CEO will notify all trustees immediately and report to the Board on the matter at its next regularly scheduled meeting.
3. During quiet periods, Board members shall not communicate with the specified service providers on matters pertaining to SBCERS, except (i) during Board or committee meetings, (ii) as part of scheduled due diligence meetings, or (iii) within the regular course of business with respect to incumbent service-providers. Furthermore, during quiet periods, individual Board members or groups of Board members will not meet with specified service providers for entertainment or social purposes. Exceptions may be made in the case of industry conferences such as SACRS, where SBCERS Board members may socialize with specified service providers during open social events that are also attended by trustees or staff of other systems, provided SBCERS Board members do not discuss matters pertaining to SBCERS business.
4. Board members who need to communicate with such service providers for reasons unrelated to SBCERS business agree to disclose such need in writing to the CEO and the Board prior to undertaking such communications. Disclosure to the Board shall be made in writing at a meeting of the Board. If time does not permit timely disclosure to the Board, the Board member shall then also provide disclosure of the intended communication to the Chair, or to the Vice-Chair if the Board member in question is the Chair.
5. For the purpose of quiet period provisions, communications include, but are not limited to, in person interaction, telephone conversations, letters, text messages, social media and Email.
6. Quiet periods will cease when:

- i. The Board authorizes staff or the investment consultant to negotiate a contractual arrangement with a successful bidder, or the search process is otherwise ended by the Board; or
 - ii. When the quiet period is otherwise ended by the Board or CEO.
7. All SBCERS service providers shall be provided with a copy of the Quiet Period policy provisions and shall be asked to agree in writing to comply with its provisions.
8. All RFPs shall include the Quiet Period policy provisions and require that prospective service providers comply with its provisions during the selection process.
9. At the time a Board committee or the full Board meet to deliberate regarding the selection or retention of a service provider, or a decision materially effecting the compensation of a service provider, all Board members shall disclose any material contacts or communications with any of the service providers being considered, other than in the normal course of SBCERS' business with its current service providers, that have occurred in the preceding 12 months, irrespective of whether such contacts occurred before, during or after a quiet period.