



**Responses to questions for the Firemen's Annuity & Benefit Fund of Chicago
Search for Investment Advisor (SIA): Open-end, Core Commingled Real Estate
Fund**

1. Are we allowed to use the [FABF] logo directly below in our document?

Answer: Please refrain from using the FABF logo.

2. Regarding the presentation booklet format, what specifically are you looking for (Powerpoint presentation, etc.)?

Answer: As specified on page nine (9) of the SIA, please provide presentation booklet in .pdf format.

3. As no additional documents/attachments are to be submitted, how should we best answer the type of request below?

- Documents: Compliance Policy/Table of Contents, Code of Ethics/Table of Contents, Disaster Recovery Plan

Answer: Please attach any documents that are requested as part of the SIA questionnaire. Please refrain from including any documents (research, marketing materials, etc) that are not specifically requested.

4. Will the Board consider working with managers who have a long history managing core/core plus real estate assets, but have a Fund with less than a three-year track record?

Answer: FABF would consider working with managers who have a minimum three-year track record in managing the search strategy assets (core real estate) even if such track record is not available at the fund level. Please document management history, level of assets under management and performance of core real estate in your response.

5. Minimum Qualification 11: Our fund does not provide monthly reporting for investors and this is not something customary in our industry due to the valuation process. Can you confirm this is not a disqualifying event if we cannot provide monthly reporting?

Answer: Failure to provide monthly reporting is not a disqualifying event.

6. Minimum Qualification 12: Can you give more detail on what documenting transactions means? This is not something we have seen before in our space. Also, how often?

Answer: The concept of “document[ing] all investment transactions with the Fund’s master custodian” refers to ensuring custodian receives investor partner statements/transaction notices for processing at the custodian. Statements/transaction information should be provided to the custodian as often as generated.

7. We respect to the side letter fee aggregation language. We offer fee aggregation to consulting firms but broad city-based fee aggregation is not something we have ever come across. Can you confirm that the side letter can be negotiated?

Answer: The side letter can be negotiated. Please consider treating any investment made by a City of Chicago sponsored pension fund as a single investment for purposes of calculating investment management fees, including the offering of a relationship discount.

8. While we do meet the minimum requirements outlined in Section 2, I wanted to clarify our limitations with the certificate, as is, before completing the Request for Proposal. Please review our comments and let me know if you have any concerns with the amended Statement of Certification.

Answer: Upon review of the edits to the Statement of Certification, there is concern with the proposed revision to the fiduciary statement language. The IL Pension Code requires that the investment advisor is a fiduciary to FABF. In reviewing what it means to be a “fiduciary,” Illinois Courts have applied an ERISA fiduciary standard that, to the knowledge of FABF legal counsel, is a greater standard than a fiduciary under Delaware law. As such, FABF will require the following language in a side-letter if selected by the Board of the FABF:

“Notwithstanding anything to the contrary in the Limited Partnership Agreement or Subscription Agreement, each of the General Partner and Investment Adviser acknowledge that it is a fiduciary with respect to the Partnership and has fiduciary duties to the Partnership and its Limited Partners, including the Investor [the FABF].”

9. In Section 5.1 (“Presentation Requirements”) you describe a presentation booklet that includes answer to the questionnaire, among other details. We wanted to verify that this booklet is simply our response to the RFP, not any additional information that you need such as a strategy pitchbook.

Answer: Correct, the “presentation booklet” requested in section 5.1 is the response to the RFP.

10. “Section 2 – Minimum Requirements:” Given the request to provide three years of the proposed real estate fund’s audited financial statements, [Respondent] would like to execute a Confidentiality Agreement. Is this something Chicago Fire / Callan can execute in order to receive this information?

Answer: Yes, FABF will sign a confidentiality agreement to receive fund-level audited financial statements. Please note that FABF does require fund-level audited financial statements for any commingled fund investment on an annual basis.

11. On page 10 under “Additional Disclosures” the RFP asks to disclose the names and addresses of all subcontractors and the expected amount of money each will receive under the contract. Can you please further define subcontractors? Would this include just fund level subcontractors or property level as well?

Answer: A subcontractor would include any entity/person who is providing any direct investment management service to the Respondent. FABF is interested in understanding if any part of the investment process has been outsourced to an external entity. The request is for firm/fund level subcontractors; property level subcontractors do not have to be disclosed.

12. In Section 2 – Minimum Requirements, #11 states that “Selected Advisor shall provide monthly, quarterly, and annual performance reports and portfolio valuations to the Fund and Callan.” Section VIII [of Investment Policy Statement] details the Monthly Reporting requirements, which include: Asset Listing, Income Earned, Statement of Investment Performance , and Statement of Transactions. Could you please confirm if these requirements are applicable for a Real Estate Fund? We would like to note that [Respondent’s] standard reporting is quarterly, not monthly. To the extent that these items are applicable for a real estate fund, we are currently able to provide them on a quarterly basis.

Answer: The monthly reporting requirements as detailed in the Investment Policy Statement apply to separately managed accounts, which may not be applicable to a real estate fund investment. Quarterly reports would be acceptable.

13. Would it be acceptable to respond to the questions in the SIA questionnaire (Section 2) with text responses (bolded bullet/question with the text response following) in a .pdf format?

Answer: Text, charts, tables etc are all acceptable responses to the items in the questionnaire. .PDF format is the preferred format for final submission of the completed SIA.