

**REQUEST FOR PROPOSALS  
FOR  
Closed End Core Real Estate Funds**

**Alabama Trust Fund**

**Issue Date: January 31, 2022**

**Due Date: February 28, 2022**

**Alabama Trust Fund  
Board of Trustees  
Alabama State Capitol  
600 Dexter Avenue  
Montgomery, Alabama 36104**

**BEASON-HAMMON ALABAMA TAXPAYER AND CITIZEN PROTECTION ACT  
COMPLIANCE**

**The Beason-Hammon Alabama Taxpayer and Citizen Protection Act (§§31-13-1 et seq, Code of Alabama, 1975 as amended by Act 2012-491) regulates illegal immigration in the State of Alabama. All contracts with the State or a political subdivision thereof must comply with that law.**

**For the purposes of this RFP and any responding Proposal, the following sections of that law impose specific requirements:** Section 9 (a) of the Act provides “As a condition for the award of any contract, grant, or incentive by the state, any political subdivision thereof, or a state-funded entity to a business entity or employer that employs one or more employees, the business entity or employer shall not knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama.”

Section 9(b) of the Act requires “As a condition for the award of any contract, grant, or incentive by the state, any political subdivision thereof, or a state-funded entity to a business entity or employer that employs one or more employees within the State of Alabama, the business entity or employer shall provide documentation establishing that the business entity or employer is enrolled in the E-Verify program.”

As provided in the Act a “business entity” is *any person or group of persons performing or engaging in any activity, enterprise, profession, or occupation for gain, benefit, advantage, or livelihood, whether for profit or not for profit* and an “employer” is defined as *any person, firm, corporation, partnership, joint stock association, agent, manager, representative, foreman, or other person having control or custody of any employment, place of employment, or of any employee, including any person or entity employing any person for hire within the State of Alabama, including a public employer. This term shall not include the occupant of a household contracting with another person to perform casual domestic labor within the household.*

A Proposal must include a statement that the Proposer has knowledge of this law and is in compliance with Section 9(a). Before a contract is signed, the Contractor awarded the contract must submit a Certificate of Compliance using the form provided with this RFP, Exhibit D, and documentation establishing enrollment in the E-Verify Program operated by the United State Department of Homeland Security in the form of the Memorandum of Understanding which USHLS issues upon enrollment. E-Verify enrollment can be accomplished at the website of the United States Department of Homeland Security at <http://www.uscis.gov>.

See Section 10 for additional language required by Section 9(k) of the Act to be included in the contract.

Section I  
**GENERAL INFORMATION**

**1. Overview**

This Request for Proposal (“RFP”) has been issued by the Board of Trustees of the Alabama Trust Fund (“Board”). The Board solicits proposals from qualified professional firms interested in providing closed-end core real estate investment management services (“the Manager”) to the Alabama Trust Fund.

**Candidate firms should have expertise in actively managing closed-end core real estate portfolios.**

This Request for Proposals (hereinafter “RFP”) is issued in accordance with the requirements of Section 41-16-72(4), Code of Alabama (1975). This RFP is not an offer to contract but seeks the submission of proposals from qualified, professional firms that may form the basis for negotiation of an Investment Management Agreement with one or more Investment Managers. *The Board reserves the right to reject any or all proposals and to solicit additional proposals if that is determined to be in the best interest of the Alabama Trust Fund.*

The Board’s Investment consultant, Callan LLC (“Consultant”), will be receiving and analyzing all responses from this manager search. To expedite the review process, all candidates must have their firm and proposed strategy data updated through December 31, 2021 in the Callan manager database. There is no charge associated with this process. Please contact Aaron Quach at [quach@callan.com](mailto:quach@callan.com) to receive information about this process.

**2. History of the Alabama Trust Fund**

The Alabama Trust Fund (“ATF”) was created by Amendment 450 to the Alabama Constitution and ratified in 1985. The ATF was established as an investment vehicle for the management of oil and gas capital payments generated from drilling activity in Alabama’s offshore waters. The ATF is under the management and control of a nine-member board. The board consists of the Governor, Finance Director, State Treasurer and six appointed members.

The ATF strives to provide an annual total return greater than the annual amount to be distributed under the spending policy, currently 4.5%. As of November 30, 2021, ATF invested assets totaled approximately \$3.9 billion. The portfolio is managed by twenty-three professional managers investing the assets among the classes of fixed-income domestic equities, international equities, hedge fund-of-funds, multi-asset strategies and real estate. Additional asset classes may be considered in the future.

Information about the ATF, including the current Investment Policy and Manager Guidelines, is available at the Treasurer’s website: [www.treasury.alabama.gov](http://www.treasury.alabama.gov).

**3. Minimum Qualifications**

In order to be considered for selection as a Manager, the Proposer must provide Exhibit C as documented proof that the following minimum qualifications listed below are met. The Respondent has a continuing obligation to disclose information throughout the RFP process

should any qualifications or situations change that might render the Respondent as an unqualified candidate.

- Company is duly registered with the Securities & Exchange Commission pursuant to the Investment Advisors Act of 1940, as amended, and the registration is current.
- Company will comply with all state regulations to conduct business in the State of Alabama, and will register with the Secretary of State if applicable. For more information, visit the Secretary of State website at [www.sos.state.al.us/](http://www.sos.state.al.us/) and click Business Services/Corporations.
- The portfolio manager assigned to the account has managed real estate portfolios for at least five (5) years, as of December 31, 2021.
- Company has managed real estate portfolios for at least five (5) years, as of December 31, 2021.
- Company does manage at least \$2 billion in real estate strategies as of December 31, 2021.
- Company and its personnel have all authorizations, permits, licenses, and certifications as may be required under federal, state or local law to perform the services specified in this RFP at the time it submits a response to the RFP.
- Company will carry errors and omissions insurance or comparable instrument to cover negligent acts or omissions.
- Company maintains sufficient procedures and capabilities to ensure the timely and accurate backup and full recovery for all computers and other data storage systems related to the ATF account.
- Company has a company policy and practice of equal employment opportunity and non-discrimination based on race, creed or gender.
- Company will comply with *The Beason-Hammon Alabama Taxpayer and Citizen Protection Act*.

#### **4. Scope of Services**

- a. The Manager shall invest the assets in a pooled fund. It is expected that the initial funding will be approximately \$50 million. The Board shall establish the portion of assets to be managed and may, from time-to-time, change such portions.
- b. The Manager shall have independent discretionary authority with respect to the investment of that portion of the assets managed by the Manager, subject to the Code of Alabama, Investment Guidelines and such other written limitations as the Board may impose upon the Manager. A copy of the Investment Guidelines is available at [www.treasury.alabama.gov](http://www.treasury.alabama.gov). If the respondent opposes any language in the guidelines, this should be addressed in the proposal.
- c. The Manager shall provide reporting, to include quarterly valuation, quarterly performance reports, and significant changes in corporate structure, and other data to the Consultant.
- d. The Manager shall document all investment transactions with the Custodian in accord with usual and customary standards of practice, and confirm all executed transactions for custodial account records. Currently, the Custodian is BNY Mellon.

## 5. Fees

Managers shall be entitled to receive quarterly compensation. Fees shall be payable based upon the fair market value on the last business day of each quarter as reported by the Alabama Trust Fund's Custodian. The proposal must state the fees charged for this service assuming a \$50 million mandate. Please show breakpoints in fee schedule.

Any charge for services not addressed in the Statement of Fees in your proposal will not be allowed during the course of the contract. Fees will not increase during the term of the contract.

## 6. Proposal Required Information

Proposals should be as thorough and detailed as possible so that your capabilities to provide the required services can be properly evaluated.

Responses to this RFP must include:

- (1) a brief transmittal letter which must include a statement that the Proposer has read this RFP and accepts the terms and conditions set out herein and that the Proposer is aware of the requirements of the Beason-Hammon Alabama Taxpayer and Citizen Protection Act and will comply with that law.
- (2) Exhibit A, RFP Response;
- (3) Exhibit B, Statement of Fees;
- (4) Exhibit C, Minimum Qualifications;
- (5) Exhibit D, Certificate of Compliance;
- (6) Other documents:
  - A sample of contracts and all other standardized forms which you propose to be used for this transaction, and
  - List of third-party service providers with whom ATF would be required to contract in order to fully utilize the services you represent to be available under your contract; and
  - List of software licenses or agreements that ATF would be required to procure in order to fully utilize your services.
- (7) Disclosure Statement. All proposals submitted in response to this RFP must include one original Disclosure Statement as required by Section 41-16-82, et seq., Code of Alabama (1975). Copies of the Disclosure Statement, and information, may be downloaded from the State of Alabama Attorney General's web site at [www.ago.alabama.gov/Page-Vendor-Disclosure-Statement-Information-and-Instructions](http://www.ago.alabama.gov/Page-Vendor-Disclosure-Statement-Information-and-Instructions)

## 7. Submission of Proposals

Proposals must be received at the following email address **no later than the close of business on February 28, 2022**. Provide only an electronic version of your full response. If your

response includes confidential trade secrets or proprietary information, also send an electronic version with those sections redacted in the event a public information request for your response is received (see Section 11 for additional information).

Attention: Annoesjka West  
Callan LLC  
[alabamatrust@callan.com](mailto:alabamatrust@callan.com)

Submission Deadline: It is the responsibility of the Respondent to ensure that its proposal is timely delivered and received by Callan at the email address stated above on or before 5:00 p.m. EDT on **February 28, 2022**. Callan will not consider proposals received after the date and time specified herein.

Questions and Inquiries: The sole point of contact for purposes of this RFP is Annoesjka West.  
Phone: 908-522-3880  
Email: [west@callan.com](mailto:west@callan.com)

Any questions or inquiries should be directed to her. Any oral communications shall be considered unofficial and nonbinding on the State.

Rejection of all Proposals: The Board reserves the right to reject any or all proposals and/or to solicit additional proposals if that is determined to be fiscally advantageous to the State or otherwise in its best interests.

## **8. Efforts to Influence Selection Process Prohibited**

The integrity of the RFP process is of primary importance and will not be compromised. Any written or oral communications beyond the RFP response made by Managers, or others on their behalf, whether paid or unpaid, to influence the selection process, from the time the RFP is issued through its conclusion, made directly or indirectly to the Board or staff will be grounds for immediate elimination from the selection process.

## **9. Evaluation and Selection**

All proposals timely received will be reviewed and evaluated by the Investment Consultant. The Consultant will recommend proposals to the Investment Committee that most closely meet the requirements of the RFP.

After the review and evaluation of the proposals, the Board may conduct interviews. Finalists chosen for interviews, if necessary, will be notified. The Board reserves the right to request a best and final offer for fees from finalists.

The Board will select the Manager(s) the Board determines, in their sole discretion, to be fully qualified and best suited among those submitting proposals on the basis of the evaluation factors, including fees, to best meet the needs of the Alabama Trust Fund. *All proposals received in response to this RFP may be rejected and the Board may solicit additional proposals.*

Upon identification of the selected Manager, if any, the Board may initiate negotiations for contract terms and conditions. The contract will incorporate reference to the requirements of the RFP and the Manager's proposal as negotiated.

## **10. Agreement**

All duties of the Manager shall be set forth in a contract agreement between the Manager and the Board. The contract will incorporate reference to the requirements of the RFP and the Manager's proposal as negotiated.

In compliance with the Beason-Hammon Alabama Taxpayer and Citizen Protection Act (§31-13-9(k), Code of Alabama, 1975, as amended), the contract will include the following language:

*"By signing this contract, the contracting parties affirm, for the duration of the agreement, that they will not violate federal immigration law or knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama. Furthermore, a contracting party found to be in violation of this provision shall be deemed in breach of the agreement and shall be responsible for all damages resulting therefrom."*

In compliance with Act 2016-312 (attached), the contract will include the following language:

*"By signing this Agreement (VENDOR) affirms and represents to the Secretary of State that (VENDOR) is not currently engaged in, and that it shall not engage in, the boycott of a person or an entity based in or doing business with a jurisdiction with which the State of Alabama can enjoy open trade."*

You are charged with knowledge that there are certain terms standard to most commercial contracts in private sector use which the ATF is prevented by law and policy from accepting. These include (1) indemnification and hold harmless of the vendor or third parties, (2) consent to choice of law and venue other than the State of Alabama, (3) methods of dispute resolution other than negotiation and non-binding mediation, (4) waivers of subrogation and other rights against third parties and (5) some provisions limiting damages to the cost of goods or services;

## **11. Public Information**

All responses received will be subject to the Alabama Open Records Act, §36-12-40, Code of Alabama and may be subject to public disclosure upon request. The Open Records Act is remedial and should therefore be liberally constructed in favor of the public. The Alabama Trade Secrets Act is §8-27-1 through §8-27-6, Code of Alabama. Responders are cautioned to be familiar with these statutes. The burden is on the one asserting the trade secret to show that the information sought to be protected meets the definition of a Trade Secret as defined by the Act.

Any RFP response submitted that contains confidential trade secrets or proprietary commercial information must be conspicuously marked on the outside as containing confidential information, and each page upon which confidential information appears must be conspicuously marked as such. Identification of the entire bid proposal as confidential is not acceptable unless the Firm enumerates the specific grounds or applicable laws which support treatment of the entire material as protected from disclosure according to the foregoing statutes or other applicable Alabama law.

The owner of the confidential information shall indemnify and hold the State of Alabama, the Alabama Trust Fund staff and Board members harmless from all costs or expenses, including

but not limited to attorney fees and expenses related to litigation concerning disclosure of said information and documents.

**Exhibit A**  
**PROPOSAL**

**1. ORGANIZATION**

1. Name of SEC (or other appropriate regulatory agency) registered entity and date of registration:
2. If your firm is not SEC registered, please provide the specific reason for not being registered.
3. Main Office Address:
4. Please provide a brief overview of the Firm, including information on the founding, subsequent history and information on any predecessor firm and/or parent firm.
5. Provide a summary of the Firm's lines of business related to real estate investing and management globally including an overview of all investing, advisory, or other business activities performed by the Firm.
6. Please attach an organizational chart
7. Describe your firm's business plan for the next three years. What product(s) will your firm raise money for, please comment on the timing and targeted capital raise for each product. How will new and existing resources be allocated? Will a limit be placed on the total value of assets managed, employee count and/or the number of accounts for the total firm, individual portfolio manager or the commingled fund products? How is growth being managed at the firm so as not to impair your ability to provide performance results, portfolio administration and client servicing?
8. List the location of all directly related offices, the opening date of the office(s), and indicate whether the office is used for portfolio management, research, acquisitions, property management, marketing, client servicing or other functions. If other, please provide a description of functions. Following the list, please list offices that have been closed over the prior five years and indicate the date of original opening, date of closure, function performed and reason for closure. Include planned office openings.

Office Location	# Employees	Opening Date	Function

9. Type of firm (check one):

Bank/Trust Co.	
Bank Affiliate	
Merchant Bank Affiliate	

Broker	
Broker Affiliate	
Joint Venture	
Investment Bank Affiliate	
Group Trust	
Insurance Company Affiliate	
Limited Partnership	
Insurance Company	
Other (describe)	

10. Complete all that apply:

	Year
Founded Parent	
Founded Proposed Product Platform	
Began Managing Third Party Capital in the Strategy	
Began Managing Real estate	

11. Ownership structure (check one):

Publicly-Owned	
Partnership	
Employee-Owned	
Subsidiary of (describe)	
Other (describe)	

12. Provide detail the ownership structure including the names, role at the firm, title, and percentage ownership of each owner of the firm. Please highlight owners who are not employees of the firm.
13. Have there been any changes in the ownership structure of your firm in the last ten years? If yes, describe the nature of the change.
14. Are there anticipated changes in the ownership structure that may take place over the life of the proposed fund? Please describe in detail.
15. If your firm has a third party owner, please describe why the firm was attracted to this structure and what the benefits and risks are for the investor.
16. If your firm has a third party owner, please describe the rights the third party owner has and those that the firm has retained with regard to (1) day to day operations of the firm such as firm management, allocation of resources and compensation, (2) strategic investment initiatives such as products, expansion/offering of products to new investor types/markets; (3) investment decisions, (4) sale, merger, etc. of the firm; and (5) sale of the third party investor's interest.

17. Describe the structure and process for ownership interests in the Firm to be transferred per the legal documents. Please describe the transfer of ownership interests in involuntary circumstances.
18. If your firm is an affiliate/subsidiary of a larger organization, what percent of the parent's total revenue was generated by your organization in each of the prior five years?

List Year	%

19. If your firm is an affiliate/subsidiary of a larger organization or a joint venture partner with another organization, describe the method of communication and quality control between the two organizations. Define the specific responsibilities of each of the parties.
20. Provide an explanation of the ownership structure of your parent or joint venture partner, if applicable.
21. Within the past five years, have there been any significant developments in your organization including, but not limited to mergers, acquisitions, personnel reorganization, downsizings, new funds launched, offices closed or opened, new business ventures, etc.)? Please describe.
22. What future changes do you anticipate?
23. Provide a break out of revenue by each major line of business
24. Provide information regarding the Firm's liquidity and capitalization. If applicable, provide debt service requirements of the Firm. Are there any personal guarantees involved? If so, by whom?
25. Has the Firm, any of its affiliated entities, or any of current or former team members filed for bankruptcy or failed to make payments on any secured or unsecured indebtedness? Please describe
26. What level of assets under management is required for your firm to break-even under current staffing levels? Under anticipated staffing levels?
27. Describe any activity currently underway that could lead to negative publicity about the Firm in the near future. Explain any past negative publicity, and the steps taken as a result.
28. Do you use sub-contractors for any firm or investment functions? Please describe. Do not include third party relationships.

## 2. REGULATORY, LEGAL, & INSURANCE

1. Please name all regulatory registered entities affiliated with the firm, date of registration, and the relationship to the management of the fund. Include dates of registration for each entity.
2. Provide a complete form ADV (Parts I and II) and label as such.

3. Are you currently, or have you ever been, out of compliance with the SEC, DOL or any other regulatory agency. If yes, please explain and indicate whether any orders or sanctions have been issued against your firm or affiliate.
4. When was your most recent SEC or other regulatory agency inspection or examination? Please provide copies of the findings from your most recent inspection or examination within the past five years and highlight any identified deficiencies or issues.
5. Have you or has the firm ever answered “yes” to any question in Item 11 – Disclosure Information - Form ADV - Part I? If so, please provide an explanation.
6. Has your firm faced litigation or investigation? If yes, provide a detailed explanation and indicate the current status of proceedings. Please note that any answer other than “No” without a disclaimer will require a full list of proceedings so that Callan can determine materiality.
7. During the last five years, has any officer or principal of your organization been involved in litigation? If yes, provide a detailed explanation and indicate the current status of proceedings.
8. Has your firm or any principal been convicted of, or plead guilty to or settled a case for any felony, misdemeanor or civil enforcement proceedings in the past ten years? If yes, provide a detailed explanation and indicate the current status of proceedings.
9. Describe the levels of coverage for SEC-required (17g-1), or equivalent regulatory agency-required, bonds, errors and omissions coverage and any other fiduciary coverage which your firm carries. List the insurance carriers supplying the coverage, the coverage amount and deductible.
10. Does the firm maintain key man life insurance? If so, please describe.
11. Provide a summary of any outstanding or pending insurance claims and the current status.

### **3. CONFLICTS OF INTEREST AND USE OF AFFILIATES**

1. Describe any conflicts of interest your firm may have in the management of this account. Include any activities of affiliated or parent organizations, brokerage activities, investment banking activities, or property management, leasing, or other services provided to the fund.
2. Does the firm have any affiliates with which the fund may do business with? If so, please describe in detail each affiliate business.
3. If you have a lending affiliate, do you borrow from it for the account?
4. Please list total affiliate fees paid to your organization (beyond investment management fees) by category (i.e. property management, leasing, mortgage services, project management, development, legal and accounting, and in total etc.) for each fund managed by your firm.
5. How are affiliate fees determined? Please describe the process for determining the fees charged.
6. How are affiliate fees disclosed to investors (e.g. in quarterly report, at Advisory Board, other)? Please provide the document(s) that is provided to investors.
7. What is your policy with regard to buying properties or selling properties to an investor in the fund or to one its affiliates?

8. Do you share ownership of any of the investments in the account with other funds or accounts you manage or with an investor in the account?
9. Do any professionals of your organization own real estate or real estate related businesses directly? Or have an investment in real estate or real estate related investment vehicles that are sponsored by another organization. Please provide a description of the investments and how conflicts will be managed between these investments and those of the fund.
10. Describe any outside activities (e.g. non-profit, academic, other businesses) of the Firm or its Principals that are expected to take up a significant amount of time (>20%) during the life of the Fund. Include estimate time commitments of each activity.

#### 4. FIRM MANAGEMENT AND PERSONNEL

1. Who are the senior leaders of the firm and of the major business lines?
2. Please describe the succession plan and timeframe for leaders of the firm.
3. How are decisions made for the firm (e.g senior management, management committee, board of directors, etc)?
4. Provide a breakdown of total employees for the overall organization. If a person has multiple responsibilities, use the person's primary job description for classification. Do not double count employees.

Function	Current	Planned Hires
Executive Management		
Portfolio Management		
Economist/Research		
Acquisitions		
Dispositions		
Asset Management		
Property Management		
Client Service/Marketing		
Accounting/Financial/Reporting		
Other (describe)		
<b>Total Investment Professionals</b>		
Administrative		
Human Resources		
Compliance/Legal		
Other Firm Level		
<b>TOTAL Firm Employees</b>		

- List all professionals involved in your investment decision making process. Indicate the individual's years with the firm and total years of real estate/real estate related experience. Please indicate the portfolio manager responsible for the proposed fund/account and all investment committee members. In the "Name (# Rank)" column, provide a numerical rank (in order of importance) the key investment decision makers for the strategy. Please provide an attachment with professional biographies of all investment professionals for the strategy in Word format.

<b>Name (# Rank)</b>	<b>Title</b>	<b>Office Location</b>	<b>Years, Months With Team</b>	<b>Years, Months With Firm</b>	<b>Equity Partner (Y/N,%)</b>	<b>Years Exp.</b>

- Who is the current portfolio manager(s) of the proposed strategy?
- Please provide a professional biography for senior team members including the portfolio manager, in word format.
- Please provide a list of founding and subsequent portfolio manager(s) for the proposed strategy. If changes in portfolio manager(s) have been made, please provide a description of the history of the product and changes to the philosophy or process.
- What percentage of the investment team's time is spent on the following activities?

<b>Name</b>	<b>Acquisitions</b>	<b>Asset Management</b>	<b>Client Service</b>	<b>Marketing</b>	<b>Other</b>

- Do the members of the investment team have involvement in other products sponsored by your firm? If so, please describe.
- List all additions to the firm over the prior five years at the vice president level and above, highlighting those on the investment team.

<b>Name</b>	<b>Title</b>	<b>Function</b>	<b>Start Date</b>	<b>Years Exp</b>

12. List all departures from to the firm over the prior five years, highlighting those on the investment team.

Name	Title	Function	Start Date	Departure Date	Reason for Departure	Replacement

- 13. Describe the circumstances of any “Key Person” event in the firm’s history.
- 14. Describe any planned additions to the firm, highlighting those who would work on the fund. Is this contingent on asset growth or any other factors?
- 15. List any known departures of staff that will occur in the next 5 years
- 16. Describe the compensation for investment professionals at all levels of the firm
  - a. How is compensation determined overall?
  - b. What is the typical percentage split among base salary, bonus and other forms of compensation? Describe other forms of compensation.
  - c. What part of the compensation is tied to the performance of the fund and how?
  - d. What long-term retention incentives are there for key employees?
  - e. Compare your compensation levels relative to peers.
  - f. Do members of the investment team have an equity interest in the firm? Please name those professionals.
  - g. Who determines the team’s compensation?
- 17. What is the name of the legal entity that will be the GP/Sponsor of the Fund? Describe ownership of this entity, vesting, and the provisions regarding transfer of ownership interest in the GP to other entities or individuals.

Name	Title	% Ownership	Part of Investment Team (Y/N)

18. How will the GP contribution be financed/contributed (e.g. firm, individuals, etc)

GP Contribution (aka Sponsor Co-investment) (\$MM)	\$xx
GP Contribution as a % of total committed capital	Xx%
Source of GP Contribution	
Parent Company (%)	

Other affiliates (%)	
Individuals of G.P. (%)	
LIST individuals, %s and \$\$	
Non-affiliated individuals (%)	
Special L.P.s investing with G.P. (%)	-
Total	100%

19. How much of the GP contribution will be made through the GP entity and how much as a special LP? Describe the nature of the investment (e.g. up-front cash investment, loans from the firm, deferred compensation, etc.) and the economic terms of the investment that deviate from third-party investors.
20. As follow-on to the prior question, if loans are extended to professionals for co-investment please detail the terms, including provisions for departures.
21. Has the philosophy or regulation around professional co-investment changed in the last three to five years? If so, please detail the change.
22. What is the GP commitment to prior funds or accounts managed by the team in dollars and as a percent of total capital commitments for each fund?
23. What is breakout of the carry? List each individual or entity receiving carry as well as unallocated points. Summarize on the second table according to the categories listed

Name	Percentage of Carried Interest

Name	Percentage of Carried Interest
Total to Parent Company or Owners of the Firm	
Total to Strategic Partner/External Owner	
Total to Senior Professionals (SVP and above)	
Total to Mid Level --Analysts, Associates, VP Level	
Total to Admin and Other Staff	
	100%

24. How has the allocation of carry changed over the past two vehicles?

25. Is there a formula for determining how carried interest is allocated among investment professionals?
26. What is the vesting schedule? What happens if an individual leaves and to unvested carry for that individual?
27. Are the professionals responsible for the account under an employment contract? If so, describe the details.
28. Describe the succession plan for key investment professionals.
29. Who are your peers and major competitors?
30. Identify risks associated with your firm or the fund team.

## **5. PROPOSED INVESTMENT VEHICLE**

1. Product name and legal structure
2. Where is the above product domiciled? Please provide a diagram linking the legal structure of the investment fund, General Partner entity, underlying investments and other related entities.
3. If available, provide a tax-structuring memo prepared by an external advisor that describes the tax structure of the fund.
4. Target size of fund, minimum and maximum
5. Fundraising timeline including actual/projected date of all closes and the amount of commitments raised to date
6. Please provide a brief description of the strategy of the proposed account.
7. What is the target return (gross and net) of the proposed investment vehicle? What component of the total return is expected to come from periodic income? What component of the total return is expected to come from appreciation? Are there any other anticipated sources of returns to the vehicle?
8. What is the target MOIC, gross and net, for the fund overall
9. Has the target return changed from prior funds? If so, please describe the rationale for the change.
10. How many investments do you anticipate making? What is the typical equity investment size, and the minimum and maximum?
11. Detail the expected diversification ranges by country, market and property type.
12. Are there property types or regions in which you will not invest?
13. How has the strategy changed over time across your investment vehicles?
14. What is your anticipated pace of capital deployment?
15. Please describe the source of deal flow for the fund.
16. Will debt be employed at the investment-level or fund-level? If so, what is your financing strategy? Please address how much leverage will be utilized, the collateral of such debt, whether the debt will be fixed or floating rate and any hedging that is anticipated. Also address cross collateralization, recourse to investors, typical loan covenants and provisions. Will this financing strategy differ from the strategy utilized in prior funds? If so, how?
17. Describe your hedging policy for interest rates and currency.

18. Will a line of credit be utilized for the account? Please provide the relevant credit line terms. Please indicate the length of time investments are typically held on the credit facility and if there is a limit in the documents in terms of when equity must be called to replace the line.
19. Please discuss in detail timing considerations between the receipt of investment proceeds and distributions to investors.
20. What investment structures will be used?
21. If you are investing with joint venture partners describe the structure of the ventures you will consider, the types of partners, and the controls and rights you require in such investments
22. If ventures were used in prior funds, please complete the chart below:

<b>Joint Ventures</b>	<b>Yes</b>	<b>No</b>
<b>Use of Joint Venture Structure (Check Box Y or N)</b>		
If yes, % of investments (on a net equity basis) made through JV structure		
If yes, % of investments (on a net equity basis) made directly		
<b>Total</b>	<b>100%</b>	
<b>Extent of Fund Control over JV Investments made:</b>		
% of JV investments (on a net equity basis) with absolute control		
% of JV investments (on a net equity basis) with co-control		
% of JV investments (on a net equity basis) with no control		
<b>Total 100%</b>	<b>100%</b>	

23. What is the return profile for individual investments? How does this differ by property type and region?
24. What is the anticipated holding period for individual investments?
25. Are investments pre-specified for the stated fund? If so, please provide all investment memoranda for the pre-specified investments. Discuss the process for contribution these assets to the fund? Will they be contributed at cost. If they are being contributed above or below cost, please detail the valuation process and methodology used to establish the value.
26. If there are no investments to date, when does the fund expect to begin investing? Will the investment period overlap with any other vehicles?
27. What are the risks associated with the fund and the strategy, and associated mitigants?

## **6. INVESTMENT PROCESS**

1. Please provide a detailed description of the investment and portfolio management process of the proposed account from sourcing through liquidation. Include relevant roles within typical due diligence and asset management teams, how the teams are organized (e.g. by region, transaction type, property type) as well as third-party service providers participating in the process.
2. How is research integrated in the investment process?
3. Please describe the role of the Investment Committee, if any. What level of approval is required for investment committee decisions?

4. What is the size threshold for an investment to be reviewed by the investment committee?
5. How are follow-on investments treated with respect to the investment committee?
6. How is data collected and verified in the investment evaluation process?
7. Describe the use of joint venture partners for investments made. Include provisions for replacement and standard economics
8. What is the process used to verify asset operations and financials of venture partners.
9. Are background checks required for the underlying principals of joint venture relationships?
10. Explain the legal review process for fund investments.
11. If applicable, provide examples of fraud, corruption or other potential asset ownership risks that the firm previously identified and explain how these were discovered and managed.
12. Describe the process by which fund investments are managed after an investment has been made. Illustrate any ways in which value is subsequently added.
13. Describe the firm's processes for protecting against fraud and corruption post investment. Discuss any situations that were detected in prior investments.
14. What types of services are outsourced? What approvals are required to use third parties?
15. Who will be responsible for property management and leasing (e.g. internal, third party, jv partner). How are these fees charged to the fund (e.g. expensed or part of the investment management fee)?
16. Briefly describe the key variables considered in formulating your disposition/exit strategy.
17. Describe your valuation policy.
18. Have there been changes to the valuation policy over the last five years. If so, please explain.
19. Is the policy in line with GAAP fair market value financial reporting? If not, why?
20. Describe the valuation process for quarterly and annual reporting.
21. Describe the approval process for arriving at and reporting valuations and performance for quarterly and annual reporting including increases/decreases in reported values. Does the Advisory Board have a role in approving or reviewing valuations?
22. Include, as a separate attachment, a sample quarterly and annual report and any other communication an investor will receive.
23. Will investment returns be reported to investors within 45 days of the end of each quarter?
24. Will quarterly reports be sent to investors within 45 days of the end of each quarter? If not, please explain why.
25. Are specific accounting standards followed?
26. Are the financial statements audited by an independent auditor? If so, identify which statements and the frequency.
27. Are the incentive/distribution/carry provisions and investment management fees reviewed by the auditor?
28. Indicate the methodology for calculation of returns to investors
29. Will performance results for this vehicle be reported to NCREIF?
30. Discuss standard procedures for identifying potential risks at the asset and portfolio level. How are risks mitigated?
31. Does the firm allow overlapping or cross fund investments? If so, please list all such investments in the prior funds and the % of total investments in the series.

32. Are there competing investment vehicles, separate accounts, or affiliated entities that will compete for transactions with the proposed fund? If so, please list all competing vehicles and describe your allocation procedure. In the event that there is an investment vehicle with insufficient capacity to make a fund investment, will commitments be commingled with other accounts?

## **7. TERMS**

1. Please provide, as a separate MS Word attachment, a full summary of terms for the fund..
2. Have any prior funds in the series undergone any fee or other term modifications? If so, please describe.
3. Have any prior funds entered into the term extension period? Did the extension require investor approval? Were there any associated fee reductions?
4. Have any prior funds extended the investment period? If so, please describe the approval process and timing details.
5. Discuss the anticipated composition of the Advisory Board and the role of the board. Please include any investors that have been given a Board seat to date.
6. What is the fee structure of the vehicle
7. What additional expenses will be charged at the Fund level (e.g. appraisal, audit, dead deal costs, etc)
8. How are organizational and formation expenses being handled? Is there a cap?
9. Is there a placement agent utilized for fundraising? If so, who will bear the cost of the fee and how will it be paid.
10. Is the Fund's carry calculated on a deal by deal (i.e. American waterfall or some variant thereof, including reserve for writedowns etc.) or whole of fund (i.e. European waterfall) basis?
11. What is the clawback provision? Is it guaranteed by the GP on a joint or several basis? Will a portion of the carry be held in escrow?
12. Provide a working example of the most recent fund's distribution waterfall noting any variations from the expected calculations for this fund, or the distribution waterfall for this fund.
13. Are there provisions for removing the GP/manager with and/or without cause?
14. Is there a key person provision?
15. Describe any circumstance in which one partner/investor is not investing under the same terms as the other partners/investors
16. Describe the allocation of fees between the GP and the fund (e.g. transaction fees, origination fees, investment banking fees, director fees, etc.)
17. Summarize the liquidity mechanisms available to investors.

## **8. PERFORMANCE**

1. Please fill out the attached performance spreadsheet.
2. Has the firm (or any affiliate, subsidiary, or partnership) ever failed to make payments for commitments and/or secured or unsecured indebtedness? If so, please explain.

3. Provide examples of investments that were in violation of their debt covenants. Describe what you have changed to prevent this from happening again.
4. Please provide details on realized and unrealized investments with an investment multiple below 1.0x. identify what went wrong, action taken, if outside assistance was utilized, and lessons learned
5. Discuss the team's investments and investment sectors that have had the most positive impact on performance. Detail the respective size of commitments and the relevant drivers of sub-performance and outperformance, respectively.
6. Provide track record attribution that your firm uses internally to assess results
7. What benchmark(s) or indices do you use?
8. Is your track record based on audited figures? If not, how can we verify its accuracy?

## 9. REFERENCES

1. Please provide three U.S. tax-exempt plan sponsor clients invested in a current or prior investment vehicle. Please provide the names, addresses, email, telephone numbers, size of accounts and dates the accounts commenced.
2. Please provide one reference of an investor who has terminated your services/elected to not continue in the fund series.
3. Please provide the names of all public pension plan clients.

## 10. REQUESTED DOCUMENTS

Document	Included Y/N
Organizational chart showing management/organizational structure	
Chart showing Firm ownership structure	
Biographies in word format. Please include age, years of relevant experience, years at the firm, year in role, and other biographical information	
Audited financial statements for the firm for the past three years (if the firm is an affiliate or subsidiary provide for the relevant business unit)	
Firm's most recent regulatory body registration/disclosure form (e.g Form ADV)	
SEC Examination letter and response	
GRESB Report	
UNPRI Limited Partner Responsible Due Diligence Questionnaire	
EEOC Table	
Investment memoranda for pre specified investments. If there are no pre specified investments, provide select investment memoranda from each of the prior fund series. If this is open end, provide for last three investments.	
Annual report for each fund in the series for the past three years for each of the prior investment vehicles or for this vehicle if open end.	
NCREIF/PREA Reporting Standards Closed-End Fund Checklist, if you are offering a closed end fund and the Reporting Standards Open-End Fund Checklist if you are offering an open end fund.	
Examples of capital call and distribution notices	

All documents a proposed investor would review and sign including the operating agreement, limited partnership agreement, amendments, side-letters and subscription materials. If these materials are not available, please comment.	
Diagram of Fund legal/tax structure	
Memo from external party on tax structuring	
Summary of terms in Word format	
The Partnership Agreement of the General Partner or similar agreement if vehicle is not a partnership	
Copies of side letters the fund has entered into	
Investment advisory agreement between the fund and the General Partner, or similar document if vehicle is not a partnership	
Working example of the most recent fund's distribution waterfall, noting any variations from the expected calculations for this fund. Or distribution waterfall for this fund.	
Valuation policy	
Risk management policy	

**EXHIBIT B  
STATEMENT OF FEES**

Please provide a fee structure for the proposed fund. Are there any “favorite nations” clauses in the fund’s documents? Please list any additional fees on top of the quoted fee structure.

**EXHIBIT C**  
**MINIMUM QUALIFICATIONS**

1. My Company is duly registered with the Securities & Exchange Commission pursuant to the Investment Advisors Act of 1940, as amended, and the registration is current.

Yes                      No

2. If applicable, my Company shall qualify with the Secretary of State to conduct business in the State of Alabama if selected.

Yes                      No

3. The portfolio manager assigned to the Alabama Trust Fund account has managed real estate portfolios for at least five (5) years, as of December 31, 2021.

Yes                      No

4. My Company has managed real estate portfolios for at least five (5) years, as of December 31, 2021.

Yes                      No

5. My Company has at least \$2 billion in real estate assets under management as of December 31, 2021.

Yes                      No

6. My Company and its personnel have all authorizations, permits, licenses, and certifications as may be required under federal, state or local law to perform the services specified in this RFP at the time it submits a response to the RFP.

Yes                      No

7. My Company will carry errors and omissions insurance or comparable instrument to cover negligent acts or omissions.

Yes                      No

8. My Company maintains sufficient procedures and capabilities to ensure the timely and accurate backup and full recovery for all computers and other data storage systems related to the Alabama Trust Fund account.

Yes                      No

9. My Company has a company policy and practice of equal employment opportunity and non-discrimination based on race, creed or gender.

Yes                      No

10. My Company will comply with the Beason-Hammon Alabama Taxpayer and Citizen Protection Act.

Yes

No

**EXHIBIT D**

**CERTIFICATE OF COMPLIANCE WITH THE BEASON-HAMMON ALABAMA  
TAXPAYER AND CITIZEN PROTECTION ACT (ACT 2011-535, as amended by Act  
2012-491)**

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**RE Contract/Grant/Incentive (*describe by number or subject*):** \_\_\_\_\_ **by and**  
**between** \_\_\_\_\_ **(Contractor/Grantee) and**  
\_\_\_\_\_ **(State Agency or**  
**Department or other Public Entity)**

The undersigned hereby certifies to the State of Alabama as follows:

1. The undersigned holds the position of \_\_\_\_\_ with the Contractor/Grantee named above, is authorized to provide the representations that are set out in this Certificate as the official and binding act of that entity, and has knowledge of the provisions of THE BEASON-HAMMON ALABAMA TAXPAYER AND CITIZEN PROTECTION ACT (ACT 2011-535 of the Alabama Legislature, as amended by Act 2012-491) which is described herein as "the Act".
2. Applying the following definitions from the Section 3 of the Act, the Contractor/Grantee business structure is as indicated by my initials.

**BUSINESS ENTITY.** Any person or group of persons employing one or more persons performing or engaging in any activity, enterprise, profession, or occupation for gain, benefit, advantage, or livelihood, whether for profit or not for profit. "Business entity" shall include, but not be limited to the following:

- a. Self-employed individuals, business entities filing articles of incorporation, partnerships, limited partnerships, limited liability companies, foreign corporations, foreign limited partnerships, foreign limited liability companies authorized to transact business in this state, business trusts, and any business entity that registers with the Secretary of State.
- b. Any business entity that possesses a business license, permit, certificate, approval, registration, charter, or similar form of authorization issued by the state, any business entity that is exempt by law from obtaining such a business license, and any business entity that is operating unlawfully without a business license.

**EMPLOYER.** Any person, firm, corporation, partnership, joint stock association, agent, manager, representative, foreman, or other person having control or custody of any employment, place of employment, or of any employee, including any including any person or entity employing any person for hire within the State of Alabama, including a public employer. This term shall not include the occupant of a household contracting with another person to perform casual domestic labor within the household.

- \_\_\_\_\_ a. The Contractor/Grantee is a business entity or employer as those terms are defined in Section 3 of the Act.
- \_\_\_\_\_ b. The Contractor/Grantee is not a business entity or employer as those terms are defined in Section 3 of the Act.

3. As of the date of this Certificate, Contractor/Grantee does not knowingly employ an unauthorized alien, as that term is defined in Section 3 of the Act, within the State of Alabama and hereafter it will not knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama.

*{Alien is any person who is not a citizen or national of the United States, as described in 8 U.S.C. § 1101, et seq., and any amendments thereto.}*

*{Unauthorized Alien is an alien who is not authorized to work in the United States as defined in 8 U.S.C. § 1324a(h)(3).}*

4. Contractor/Grantee is enrolled in E-Verify unless *{initial the following selections which apply}*:

\_\_\_\_\_ (a) it is not eligible to enroll because of the rules of that program or other factors beyond its control.

\_\_\_\_\_ (b) it is excused from the requirement of enrollment in E-Verify because it does not have an employee in the State of Alabama.

Certified this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

\_\_\_\_\_  
Name of Contractor/Grantee/Recipient

By: \_\_\_\_\_

Its \_\_\_\_\_

The above Certification was signed in my presence by the person whose name appears above, on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

WITNESS \_\_\_\_\_

\_\_\_\_\_  
Print Name of Witness