



**Responses to questions for the Firemen's Annuity & Benefit Fund of Chicago
Search for Investment Advisor (SIA): Global REIT Manager**

1. How strict is the minimum requirement which states that "The Firemen's Annuity & Benefit Fund of Chicago's investment mandate must not represent more than 20% of the Respondent's total firm assets or 20% of the proposed strategy total assets"? Can we broaden the scope of total strategy assets to include similar approaches such as US REITs?

Answer: FABF will be strict in adherence to 20% limit of total firm assets. We will allow the percentage of strategy assets to be determined by including similar strategies to Global REITs. Please list all strategies included in 20% limit calculation.

2. We are in the process of establishing a Collective Investment Trust (CIT) for our Global REIT strategy, with SEI Trust Co as the Trustee for the vehicle. The vehicle will be launched at the end of October 2018. We will have a founder's share class which is open to eligible unitholders for 12 months from the date of the Trust launch. Can I please confirm whether this would be an eligible investment vehicle for the Fireman's Annuity & Benefit Fund of Chicago?

Answer: FABF's preference is to invest in the Global REIT strategy via a separately-managed account. Commingled funds will be considered secondarily.

3. For this search, would you accept a proposal for an all-tranche US REIT strategy that provides a better return with lower risk compared to a REIT Global benchmark, if we meet all of the other criteria?

Answer: FABF is only considering Global REIT mandates at this time and the EPRA/FTSE NAREIT Developed Index will be the benchmark used to track performance.

4. Under Organizational Information "Investment Team Turnover for the Last Five Years" is the information requested based on the whole firm or for the strategy only?

Answer: Investment team turnover should be calculated for the strategy team that is responsible for oversight and management of the REIT portfolio.

5. Under Minimum Requirements it states "Respondent must provide documented proof that the following minimum qualifications listed below are met" does the respondent need to attach items i.e. insurance policies, AUM comparison for the 20% representation, etc.? Would the Statement of Certification in Section 1 fulfill this requirement?

Answer: Completion of the Statement of Certification in Section 1 fulfills the requirement for inclusion in the search process. However, the selected manager will be required to submit additional documented proof.

6. “Respondent must provide audited financial statement and provide three copies of their ADV’s” – Would this be part of the presentation booklet or should this be separate documents?

Answer: Requested audited financial statements and ADVs may be separate documents.

7. Historical Assets, Risk/Return, Tracking Error and Portfolio Turnover, how far back would you like the historical data to be presented and frequency (quarterly or yearly)?

Answer: Historical assets and portfolio turnover may be presented annually, since inception or 10 years. Risk/return and tracking error can be provided over the longest time period available or trailing 3-, 5-, and 7- year periods.

8. The RFP requests that we disclose any relationship with the Fund, the Fund’s Executive Director, the Fund’s Investment Staff or any member of the Board. We obtained the names of the Director and the Board from the Fund’s website; can you provide a complete list of names, including the Fund’s Investment Staff?

Answer: FABF website presents accurate list of the Fund’s Board of Trustees (“Board of Trustees” tab) and senior staff (“contact us” tab). The Fund’s Investment Staff consists of its Chief Investment Officer, Lorna Scott.

9. Is the Fund willing to negotiate the IMA terms at all, or are they firm as written?

Answer: Some IMA terms may be negotiated. Please notate within your response which areas of the IMA will warrant discussion.

10. In Section 5.7 of the IMA, “Manager is prohibited from utilizing any sub-managers or any other type of subcontractor in providing services...” Does the Fund consider a middle office service provider or an affiliate providing centralized services such as legal or other operational support to be a subcontractor? If so, would the Fund be willing to approve such arrangements? What type of due diligence would be required to obtain approval, if it is required?

Answer: To clarify, manager is prohibited from using any sub-managers or any other type of provider in providing investment management services. The manager may use sub-contractors who provide services related to running the firm’s business (ie, marketing, operations, back office, etc).

11. In section 1.4, the RFP notes that the proposal must be submitted in the form of a presentation booklet. Could you please clarify the format with which you would like the proposals submitted in? More specifically, are you looking for a word document addressing the questions and information requested? Or, should the information requested be compiled into a PowerPoint presentation?

Answer: .PDF format would be preferable.

12. In section 3.2, the RFP notes that Callan’s database must be updated through September 30, 2018 by the submission deadline. In addition to the database, will we also be required to complete a performance spreadsheet in relation to the proposal?

Answer: Performance should be submitted to the Callan database. Certain respondents may be asked to submit additional data to Callan.

13. Can the soft copy presentation be provided in Word format?

Answer: .PDF format would be preferable.

14. **Banks Exempt from Registration with the SEC:** We note that Section V of Attachment 4 provides that: “A qualifying Investment Manager must be a registered investment advisor under the Investment Advisors Act of 1940 or exempt from registration as demonstrated to the satisfaction of the Board, or a bank or insurance company similarly registered or exempt.” However, Minimum Qualification #1 provides: “Respondent is an investment adviser registered with the Securities and Exchange Commission (SEC) pursuant to the Investment Advisors Act of 1940.” If an investment manager is a bank that is exempt from registration with the SEC, should a respondent note that the entity is exempt from registration in its response with respect to the Minimum Qualifications and annotate or revise any applicable certifications (e.g., certification that the entity is a registered investment adviser)? In addition, entities that are exempt from registration are not required to file certain regulatory disclosures, such as Form ADV, in such case can a respondent provide other disclosure documents applicable to the entity that is exempt from registration in lieu of the Form ADV?

Answer: Yes, please revise any certification statements to notate that Respondent is exempt from registration with the SEC. Please include any disclosure documents applicable to the entity.

15. **MWDBE Policy:** We note that Minimum Requirement #9 requires a respondent to comply with the Fund’s Minority, Women, and Disabled Business Enterprises (“MWDBE”) brokerage policy. To the extent that a respondent proposes an investment in a pooled investment vehicle, the brokerage practices of such vehicles are typically determined by the organizational documents of such vehicles. Is there an expectation that the pooled vehicle must comply with the MWDBE brokerage policy?

Answer: It is not expected that a pooled vehicle would comply with the MWDBE brokerage policy.

16. **Investment Management Agreement:** We note that the sample investment management agreements appears to contemplate the provisions of discretionary investment management services through a separate or segregated account. To the extent that a respondent is proposing an investment in a pooled vehicle, is the fund amenable to negotiating in good faith

and executing certain offering materials/agreements of such pooled vehicle that are prepared the applicable investment manager?

Answer: Yes, in the event the Fund selects a commingled vehicle as the investment vehicle for the Global REIT mandate, we will negotiate and execute pooled vehicle documents.

17. If we are awarded the mandate, there are certain sections of the IMA that our legal team will need to discuss with the Fund's legal team. We understand from the SIA that contract negotiations are contemplated.

Answer: Some IMA terms may be negotiated. Please notate within your response which areas of the IMA will warrant discussion.

18. Page 4 of the document, Section 2 – Minimum Requirements states “In order to be considered for selection, the Respondent must provide documented proof that the following minimum qualifications listed below are met:....” For documented proof are you looking for individual attachments demonstrating proof, or is completing and signing Section 1, Statement of Certification considered to be documented proof?

Answer: Completion of the Statement of Certification in Section 1 fulfills the requirement for inclusion in the search process. However, the selected manager will be required to submit additional documented proof.

19. Is there a specific EEOC chart/format you are looking to have completed?

Answer: There is no specific EEOC chart/format that must be completed.

20. You are asking for “Historical Assets Under Management For the Firm, Investment Division and Strategy.” How far back are you looking for, and in what format, e.g.; as of year-end for each of the last five years, etc

Answer: Asset values of each calendar year end is sufficient, since inception or 10 years. Please provide year-end AUM for as far back as the Global REIT strategy has a track record.

21. Can the manager meet the 20% MWDBE brokerage requirement using step-out trades?

Answer: Step out trades are permitted.

22. Regarding Attachment 3 Section 4.1(c), do you recognize any third-party or government certifications of MWD-owned or -staffed businesses that can facilitate our classification of vendors?

Answer: The Fund does not require any third-party/government certifications for determining the classifications of vendors.

23. Regarding Attachment 4 Section III 4.B, can you confirm that there is no liability on the manager in the event the portfolio passively breaches the guidelines?

Answer: We can not confirm that there is no liability to the manager. Any investment guideline breach will be discussed.

24. Regarding Attachment 4 Section III 4.B, can you provide an example of the breach and remediation process?

Answer: Attachment 4, section III 4.B describes use of standard deviation and tracking error as measures of risk. These measures are reviewed over various time periods without necessarily causing breaches or remediation. There are no recent examples of breaches or remediation.