



Request for Proposals - Investment Consulting, Real Estate Consulting and Performance Measurement Services

PART 1 -- Introduction and Goal of the RFP

1.1 INTRODUCTION - General Information

The Illinois Municipal Retirement Fund (IMRF) is requesting proposals from investment consulting firms to provide general investment consulting, real estate consulting and performance measurement services (bundled or unbundled) to its Board of Trustees and also to assist the IMRF Investment Department Staff.

There is no expressed or implied obligation for the IMRF to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

IMRF reserves the right to reject any or all proposals submitted. All proposals submitted will be evaluated by members of the IMRF Staff. Firms may be asked to make formal presentations of their proposals to the IMRF Investment Committee and/or the IMRF Board of Trustees. Selection of the Investment Consultant(s) is subject to final approval by the IMRF Board of Trustees.

1.2 GOAL

IMRF is soliciting qualified firms to provide general investment consulting, real estate consulting and/or performance measurement services to the Board of Trustees and Staff. The intent of the contractual relationship will be to establish an ongoing relationship between IMRF and the selected firm(s) for the purpose of providing IMRF with advice and technical support related to the management of a well diversified, multi-billion dollar investment portfolio through the use of current analytical techniques, concepts, and professional services.

1.3 QUIET PERIOD

The Quiet Period is the period of time beginning when the investment consultant RFP is issued and ends when the investment consultant is selected by the Board or the process is declared to be complete.

Respondents shall not contact IMRF Board members during the Quiet Period and should direct all questions and communications to the Director of Investments, Investment Department Manager, Executive Director or other contacts identified in this RFP.

Incumbent investment consultant respondents may communicate with IMRF Board members during the Quiet Period, but may not discuss the investment consultant search with the

IMRF Board members during the Quiet Period. The purpose of the Quiet Period is to ensure that all prospective investment consultant(s) have equal access to information regarding the search objective and requirements; to be certain that communications are consistent and accurate; and to make the search process and selection process efficient, diligent and fair.

The Quiet Period will be posted to the IMRF website to prevent inadvertent violations by investment consultants responding to the RFP.

IMRF Board members and members of the staff not directly involved in the investment consultant(s) search shall refrain from communicating with the respondents regarding any product or service related to the search during the Quiet Period unless this communication takes place during a formal site visit or interview conducted as part of the investment consultant(s) search.

An investment consultant respondent will be disqualified for violating the Quiet Period.

Offering or providing anything of value to the IMRF Board members and members of the staff is inappropriate.

PART 2 -- Background Information on IMRF

2.1 PORTFOLIO DESCRIPTION

IMRF's portfolio is a diversified and global portfolio having a total market value of \$XX.X billion as of XXXX XX, 20XX. Approximately 99% of the portfolio is managed by outside investment managers primarily having full discretion. Approximately 1% of the total portfolio is managed internally by staff and is held in cash equivalents. Assets are held by the IMRF Master Trustee, The Northern Trust Company.

Portfolio allocations as of XXXX XX, 20XX, were as follows:

	TARGET ALLOCATION	CURRENT ALLOCATION
Core	X.X%	X.X%
Core Plus	X.X%	X.X%
Core Passive	X.X%	X.X%
Enhanced Index	X.X%	X.X%
High Yield	X.X%	X.X%
Total U.S. Fixed Income	X.X%	X.X%
Large Cap Growth	X.X%	X.X%
Large Cap Value	X.X%	X.X%
Large Cap Passive Core	X.X%	X.X%

Small Cap Growth	X.X%	X.X%
Small Cap Value	X.X%	X.X%
Micro Cap	X.X%	X.X%
Total U.S. Equities	X.X%	X.X%
International Large Cap	X.X%	X.X%
International Small Cap	X.X%	X.X%
EAFE Index	X.X%	X.X%
Emerging Markets	X.X%	X.X%
Total International Equities	X.X%	X.X%
Real Estate	X.X%	X.X%
Alternative Investments	X.X%	X.X%
Cash Equivalents	X.X%	X.X%

2.2 PORTFOLIO LONG TERM OBJECTIVES:

- A. Achieve a return greater than the actuarial assumption (currently 7.5%) with minimal risk.**
- B. Diversify risky assets.**
- C. Exceed inflation by a set premium. Currently, we estimate this premium to be 5.5% over a market cycle.**
- D. Additionally, IMRF seeks to achieve in domestic equity securities a total return that exceeds the Dow Jones US Total Stock Market Total Return Index and a return which exceeds inflation by 6% or more over a moving 5-year period; to achieve in fixed-income securities a return that exceeds the Barclays Aggregate Bond Index and a return which exceeds inflation by 3% over a 5-year moving period; to achieve in international equity securities a return that exceeds the MSCI ACWI ex-U.S. Index; to achieve in real estate investments a return which exceeds NCREIF NPI by 1% before fees over a rolling 3-year period; and to achieve in alternative investments a return in excess of 12% over a 5-year moving period.**

PART 3-- Services to be performed

3.1 SERVICES TO BE PERFORMED

A. FORMULATION AND REVIEW OF INVESTMENT GOALS, OBJECTIVES, AND POLICIES

Provide ongoing advice and technical support in the establishment and refinement of portfolio asset allocation, investment goals, objectives, and policies. The consultant will use asset allocation models to determine the influence of differing asset mixes and investment style strategies on the projected return to IMRF and the projected risk resulting from differing asset mixes and strategies. The consultant will also assist IMRF with rebalancing activities and transition management as needed.

B. REVIEW OF FEES AND CONTRACTS

Review guidelines and objectives for new and existing investment managers, review benchmarks, contracts and fees, recommend revisions, and participate in negotiations with investment managers to effect revisions.

C. PERFORMANCE MONITORING

Perform ongoing review of portfolio performance; of the underlying investments; and of the investment managers. Evaluate investment manager performance in terms of effective implementation of investment strategy, performance versus established benchmarks, organizational stability, and adherence to the investment contract. Identify current or anticipated underperformance within the portfolio, recommend corrective action, and participate in implementing the recommendations.

D. PERFORMANCE MEASUREMENT AND REPORTING

Prepare and present written and verbal monthly and quarterly summaries of investment manager activities and performance to the Board of Trustees. Calculate investment performance. Reconcile discrepancies in the returns calculated by your firm versus the returns calculated by IMRF's investment managers. Assist Staff in resolving return discrepancies.

E. MANAGER SEARCHES

Conduct investment manager searches using an extensive database which will be maintained by the investment consultant. The investment consultant must also maintain a database of investment management firms which includes minority and women-owned firms and firms owned by persons with a disability and must demonstrate non-discriminatory practices in the construction and maintenance of this database.

Prepare an investment manager Request for Proposal (RFP) based on criteria defining the need in the investment portfolio. IMRF staff in conjunction with an investment consultant shall receive approval from the Board to conduct a search necessary to fill a need in the investment portfolio (e.g. termination of a manager or addition of a new mandate to the portfolio). The search will be advertised in industry publications and a notice posted on the IMRF website. The RFP shall be made available on the IMRF website at least fourteen days before the response is due. When appropriate, the investment manager RFP shall also be made available on the investment consultant's website.

Review investment manager RFP responses alongside Staff to identify qualified candidates based solely on the criteria presented in the RFP. Staff, consultant and members of the Board may interview all; some or none of the RFP respondents, undertake site visits to respondent offices and conduct such other due diligence as is prudent under the circumstances. The process may end at this point if there are no qualified investment manager candidates among the respondents.

Arrange and participate in preliminary investment manager candidate interviews and assist in the finalist selection;

Conduct on-site investment manager due diligence visits with staff and primary search candidates, as appropriate;

Develop summary interview materials for the Committee's use; and meet with the Investment Committee to review the search report. The staff and consultant will present the results of the investment manager RFP process to the Investment Committee in the form of a written report. This report will be presented during a public meeting of the Investment Committee and may include a recommendation of investment manager finalists to be interviewed by the Investment Committee.

Identify all minority and women-owned investment management firms and investment management firms owned by persons with a disability in the report presented to the Investment Committee. Staff and consultant must specify the reasons when these firms are not brought forward as finalists.

Schedule and attend investment manager finalist presentations, and assist the Committee in selecting investment manager(s). The Investment Committee will interview finalists and determine if a recommendation for the award of a contract will be made to the Board of Trustees. The Board of Trustees shall then act on the recommendation of the Investment Committee.

F. SPECIAL SERVICES

Identify and recommend new investment opportunities, liquidation or restructuring of existing investments and allocations to existing managers. Inform and educate the IMRF Board of Trustees and Staff relative to significant trends in institutional investments.

G. MEETING ATTENDANCE

Attend the following meetings with IMRF Board Members and/or Staff on and off site:

- 1) Monthly IMRF Board meetings;**
- 2) Investment Committee meetings;**
- 3) Annual IMRF Roundtable;**
- 4) Regional meetings with investment managers;**
- 5) Related investment meetings and discussions;**
- 6) Formal interviews with existing and potential investment managers;**
- 7) Ad hoc due diligence meetings with investment managers and Staff.**

In completing these activities, we estimate that there will be sixty days of meetings with the Board of Trustees and/or members of the staff held annually. There will also be frequent

telephone discussions with Staff relating to all investment issues covered by this assignment.

H. OTHER

Conduct such services under the contract as may be reasonably asked of an investment consultant by a public pension plan.

PART 4-- Qualifications for the Assignment

4.1 DEMONSTRATED EXPERIENCE

Demonstrated experience in providing discretionary or non-discretionary investment advisory services to large public pension plan clients, at least one of which must have total plan assets of \$10 billion.

4.2 REGISTERED INVESTMENT ADVISOR

A qualified firm is an investment consulting firm registered as an investment adviser under the Investment Advisers Act of 1940. Firm will promptly advise IMRF if it at any time is not so registered. Investment consultant also affirms that in its investment advisory capacity, it is a fiduciary with respect to IMRF.

PART 5-- Specifications for the Assignment

At the point of contract, a final detailed agreement concerning services and performance expectations will be agreed upon between IMRF and the successful firm(s). The terms of the final contract between IMRF and the successful firm will be binding and supersede this RFP. This RFP and the successful firm(s)' proposal will be incorporated into the contract. In addition, the contract will require the successful firm(s) to acknowledge, in writing, that it is a fiduciary with respect to IMRF.

5.1 GENERAL ADVISORY

Investment Consultant will provide the IMRF with general advisory investment consulting services which will include the following:

Attendance by a Principal at the monthly meetings of the Investment Committee and Board of Trustees to provide an assessment of any investment or investment manager issues arising during the period, to discuss topical issues and possible policy impact to IMRF, and to present any recent research conducted by Investment Consultant.

Attendance by a Principal at, and assistance with, the annual Regional Manager meetings with the Board of Trustees conducted on-site with current IMRF investment managers.

Attendance by a Principal at, and assistance with, the annual Roundtable meeting for the Board of Trustees.

A formal annual review of the asset allocation investment program including a review and assessment of the underlying capital market assumptions.

A formal annual review of the allocation among the investment managers considering risk profiles.

On a periodic or as needed basis, assist in the rebalancing activity for the total fund.

An annual review of the Statement of Investment Policy, and assistance in drafting any necessary revisions.

Conduct up to five (5) domestic equity, international equity, domestic fixed income or international fixed income manager searches per year on an as needed basis following established processes and procedures. (Excluded are searches for specialized portfolios, such as real estate, alternative investments and hedge funds, and emerging minority managers where the selection of multiple managers is required to construct a full portfolio.)

Access to all research, published or unpublished, and general memoranda produced by Investment Consultant.

Access to non-exclusive, quarterly educational sessions for Staff and/or Trustees in the Investment Consultant offices, and inclusion in your periodic Client Conference.

Availability by phone, email or in-person meetings when appropriate to Staff and Trustees for further discussion or suggestions.

5.1A PROJECT WORK

1. ASSET LIABILITY MODELING STUDY

The IMRF will periodically engage the services of the investment consultant and actuary to conduct an asset liability modeling study. The investment consultant selected for this assignment must have demonstrated capabilities in this area. The asset liability modeling study project will be engaged separately from this retainer agreement.

2. ALTERNATIVES PORTFOLIO REVIEW

A review of the Alternatives Portfolio focusing on:

The current composition and continuing expected relative benefit of each component of the Portfolio,

An assessment of the ability of each component to accept additional allocations or to provide a source of funds for other investment,

The potential addition of different investment types including a recommendation on size, vehicle and a review of the continuing appropriateness of the benchmarks for each component of the Portfolio, and a review and modification, if necessary, of the current policy regarding the goal, composition and benchmark for the evaluation of the Alternatives Portfolio.

5.2 REAL ESTATE ADVISORY

Investment Consultant will provide the IMRF with real estate advisory investment consulting services which will include the following:

Attendance by a Principal at meetings of the Investment Committee and Board of Trustees when real estate issues arise to provide an assessment of any investment or manager issue arising during the period, to discuss topical issues and possible policy impact to IMRF, and to present any recent research conducted by Investment Consultant.

An annual review of the Statement of Investment Policy focusing on the structure and diversification of the portfolio and including an analysis of investment pacing based on cash-flow and current commitments.

Support the selection of real estate investments including search(es) for commingled funds, individual funds or partnerships appropriate for IMRF to meet the requirements of the annual investment pacing analysis by analyzing investments coming to market, analyzing other appropriate investment opportunities and conducting detailed due diligence.

Ongoing monitoring of IMRF real estate managers and related real estate investments focusing on investment performance, amendments to the limited partnership agreements,

and organizational issues such as, but not limited to, changes in ownership, retention of professional staff, fee changes and new products. We will communicate any important developments and any recommendations regarding amendments to partnership agreements.

Annual and quarterly reporting. Investment consultant will prepare 4 quarterly reports summarizing the investment performance of the various real estate managers. Included in the fourth quarter report will be an annual review. The reports will include: an analysis of the current market environment, a summary of the most recent events in the financial markets, a review of the performance of the major market indexes; an analysis of the asset allocation of the current investment program; a complete return analysis; and a review of the investment results in the context of their objectives and benchmarks, along with specific commentary on factors affecting performance.

Access to all real estate research, published or unpublished, and general memoranda produced by Investment Consultant.

Availability by phone, email or in-person meetings when appropriate to Staff and Trustees for further discussion or questions.

5.3 PERFORMANCE MEASUREMENT

Investment Consultant will provide the IMRF with comprehensive performance measurement reports, which will be customized to include information most relevant to the needs of the Staff and the Board. This Service includes, but is not limited to, the following:

Monthly summary reports on the investment performance of the total fund and its managers including market index returns, a highlight of key events during the period and an asset allocation review. (Separate reporting on the Real Estate Portfolio and Private Equity in the Alternatives Portfolio are excluded from the monthly reports.)

Quarterly reports on the investment performance of the total fund, by asset class and by manager including an analysis of the current market environment and key events in the financial markets; a review of the performance of the major market indexes; an analysis of the asset allocation of the current investment program; and a return attribution analysis.

Quarterly reports will also contain written commentary on the investment results of all portfolios in the context of their objectives and benchmarks; specific commentary on factors affecting performance; and a review of notable organizational issues for each investment manager.

A separate quarterly report will be prepared for the Private Equity component of the Alternatives Portfolio containing written commentary on the investment results of each of the managers therein in the context of their objectives and benchmarks; specific commentary on factors affecting performance; and a review of notable organizational issues for each investment manager.

Attendance by a Principal at the monthly meetings of the Investment Committee and Board of Trustees to review fund performance, investment manager issues, and any compliance issues arising during the period.

Availability by phone, email or in-person meetings where appropriate to Staff and Trustees for questions on an interim basis.

Ongoing due diligence on investment managers (including those in the Alternatives Portfolio) in the investment program including assessments of new products, organizational changes, fee changes, and so on. This due diligence may also include site visits when appropriate. Communications regarding important developments at the investment managers and any recommendations for changes in assignments will be made when appropriate.

PART 6--Requirements and Instructions for RFP Completion

6.1 RFP OBJECTIVE

- A. To provide sufficient information for the preparation of competitive proposals by qualified respondents.
- B. To provide for a fair and objective evaluation of proposals.
- C. To result in a continuing contract between the successful respondent and the Illinois Municipal Retirement Fund.

6.2 RFP DUE DATE & DELIVERY

Six (6) copies of the proposal must be received by IMRF no later than 12:00 Noon, XXXX XX, 20XX. Submissions must be addressed and delivered to:

*Illinois Municipal Retirement Fund
2211 York Road, Suite 500
Oak Brook, Illinois, 60523-2337
Attn: Dhvani Shah, Chief Investment Officer*

Electronic submission of the proposal is also acceptable and should be sent to: invrfp@imrf.org. The proposal must be received via e-mail no later than 12:00 Noon, XXXX XX, 20XX.

Late proposals will not be accepted.

All proposals must be complete in every respect and must answer concisely and clearly all questions proposed by this RFP.

6.3 TIMELINE

While there is no fixed date for the selection of a consultant, it is anticipated that the selection of a consultant will be completed by XXXX XX, 20XX. Following notification of the selected firm, it is expected that contract negotiations will be completed by XXXX XX, 20XX.

6.4 INQUIRIES

During the evaluation process, the IMRF retains the right to request additional information or clarification from respondents to this RFP. IMRF may also allow corrections of errors or omissions by respondents.

Inquiries should be submitted via e-mail to:

Dhvania Shah at: dshah@imrf.org

Inquiries may also be submitted in writing to:

*Illinois Municipal Retirement Fund
2211 York Road, Suite 500
Oak Brook, Illinois 60523-2337
Attn: Dhvani Shah
Phone: (630) 368-5380
Fax: (630) 368-5383*

Inquiries must be received no later than XXXX XX, 20XX.

After XXXX XX, 20XX, if a question appears unclear to you, please state your interpretation of the question and answer it accordingly.

In all cases, no verbal communications will override written communications.

6.5 DISCLOSURE OF PROPOSAL CONTENT

The laws of Illinois require that at the conclusion of the selection process, the contents of all proposals be placed in the public domain and be open to inspection by interested parties.

Trade secrets or proprietary information must be clearly identified as such in the proposal and will not be released to the extent permitted by law.

6.6 DISPOSITION OF PROPOSALS

All proposals become the property of IMRF and will not be returned to the respondent.

IMRF reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between IMRF and the firm selected.

6.7 SIGNATURE OF RESPONDENT AGENT

The tendered proposal, and any clarifications to that proposal, shall be signed by an officer of the responding firm or a designated agent empowered to bind the firm in a contract. All proposals submitted electronically must be submitted by an officer of the responding firm.

PART 7-- General Terms and Conditions of the Contract Including Criteria for the Evaluation of Performance

7.1 TERM OF ENGAGEMENT

The contract will be for a period of up to five years. After five years, the contract must be re-bid. The contract can be terminated with or without cause by either party upon thirty days' written notice.

7.2 CRITERIA FOR THE EVALUATION OF PERFORMANCE

Performance shall be evaluated based upon successful execution of the services to be performed under the contract and project work.

PART 8-- Selection Process

IMRF reserves the right to award this contract to the firm(s) which, in its sole opinion, will provide the best match to the requirements of the RFP.

IMRF reserves the right to reject respondents due to their noncompliance with the requirements of this RFP. Additionally, IMRF reserves the right not to hire or defer the hiring of any firm for investment consulting services.

8.1 SELECTION PROCESS

Staff shall objectively review the RFP's to identify qualified candidates based solely on the criteria presented in the RFP. Staff and members of the Board may interview all, some or none of the RFP respondents, undertake site visits to respondent offices and conduct such other due diligence as is prudent under the circumstances.

Staff will prepare a report and present the report to the Investment Committee during a public meeting of the Investment Committee.

The Investment Committee may interview finalists and will determine if a recommendation for the award of a contract will be made to the Board. The Board shall then act on the recommendation of the Investment Committee.

During the selection process all respondents to the RFP will be evaluated and ranked based upon:

Organization - stability, ownership, documented experience of key professionals

Consulting Skill - investment philosophy, investment manager information collection and monitoring systems, risk management tools, performance measurement systems and breadth of consulting expertise and experience.

Fees - Consulting fees for services requested and associated costs.

Staff is required to identify all minority and women-owned firms and firms owned by persons with a disability in the report presented to the Investment Committee. Staff must specify the reasons when these firms are not brought forward as finalists.

IMRF reserves the right to reject any respondents due to noncompliance with the requirements and instructions in the RFP.

PART 9-- Projected Timeline for Completion of the Investment Consultant Search

9.1 TIMELINE

- A. Requests for Proposals mailed by IMRF by XXXX XX, 20XX.
- B. Inquiries for interpretation must be received no later than XXXX XX, 20XX.
- C. Proposals must be received by 12:00 Noon, XXXX XX, 20XX.
- D. At our discretion, members of the IMRF Board of Trustees and Staff may interview the candidate firms.
- E. There is no fixed date for the award of the contract by the IMRF Board of Trustees. It is anticipated that prior to the selection of a new investment consultant, candidates will be requested to present their firms to the Investment Committee during the meeting tentatively scheduled for XXXX XX, 20XX. Following selection, it is expected that the contract negotiations will be completed during the month of XXXX.

PART 10—REQUEST FOR PROPOSAL QUESTIONNAIRE

***GENERAL INVESTMENT, REAL ESTATE AND PERFORMANCE MEASUREMENT
CONSULTING SERVICES***

10.1 PROPOSAL PREPARATION INSTRUCTIONS

Your firm must provide a thorough answer to each question raised in Paragraphs 1.2 through 1.4. Failure to adequately respond may be cause for rejection of the firm's proposal.

10.2 MANDATORY REQUIREMENTS

A. The questions presented in Paragraphs 1.2 through 1.4 must be answered completely and in the same sequence. Supporting material must be clearly referenced to the appropriate question. **Material which is strictly promotional in nature should not be used. The submission of extraneous material may serve to disqualify the firm from further consideration.**

B. The firm must define the expectations (i.e. staff time) it would require of IMRF administrative personnel in its servicing of this portfolio. (Attach as **Appendix A**).

C. Please complete the following:



PROPOSAL PREPARATION AND EVALUATION - RFP QUESTIONNAIRE

**“INVESTMENT CONSULTING, REAL ESTATE CONSULTING
AND PERFORMANCE MEASUREMENT SERVICES”**

FIRM NAME: _____

ADDRESS: _____

TELEPHONE #: _____

FAX #: _____

CLIENT CONTACT: _____

TITLE: _____

DATE: _____

E-MAIL ADDRESS: _____

10.3 ORGANIZATION, STAFF QUALIFICATIONS AND RELEVANT EXPERIENCE

A. ORGANIZATIONAL SUMMARY

1. Please indicate your firm’s fiduciary classification. Please check all that apply:

_____ **Registered Investment Advisor
(Investment Advisors Act of 1940)**

_____ **Affiliate of Fiduciary
(Name and Classification):** _____

_____ Other: _____

2. Please give a brief history of the firm including:
 - a. the year organized,
 - b. the year the firm began providing investment consulting services to U.S. tax-exempt clients, and the nature of the firm's ownership and specific details with regard to any affiliated companies or joint ventures.

Indicate whether investment consulting capabilities were developed in-house or derived through acquisition of talent from another firm. If the latter, indicate when this occurred. Please provide an organization chart (attach as Appendix B) which diagrams the ownership structure and interrelationships between the parent-subsidary, affiliate, or joint venture entities.

3. Please provide the location and function of each of your firm's offices:

Location	Function	Number of Professionals
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4. Which of your firm's offices would service this account? Which specific services would be provided by which offices?

5. Please list your firm's lines of business and the approximate contributions of each business to your organization's total revenue. If you are an affiliate or subsidiary of an organization, what percentage of the parent firm's total revenue does your subsidiary or affiliate generate?

6. Please provide details on the financial condition of your firm. Most recent annual reports filed with the SEC will be acceptable, but any recent material changes should be included. Please also include a copy of your most recent ADV Part II. (Attach as Appendix C).

7. Please provide a copy of your firm's most recent policies and procedures addressing business continuation and disaster recovery. (Attach as Appendix D).

8. Please discuss the overall business objectives of your firm with respect to future growth. Comment on any present or planned areas of emphasis over the near future. Be sure to include in your response:

- total assets or client relationships that will be accepted
- maximum limits on asset amounts or number of clients per consultant
- plans to develop and expand resources
- plans to merge with other firms
- plans to acquire other firms

- plans to spin off subsidiaries
- plans to be spun off by a parent firm

9. Over the past five years, has your organization or any of its affiliates or parent, or any officer or principal been involved in any business litigation or other legal proceedings related to your consulting or investment activities? If so, provide a brief explanation and indicate the current status.

10. Is your firm, its parent or affiliate a broker/dealer? Does your firm trade for client accounts through this broker/dealer? If so, to what extent?

11. Does your firm provide investment management services to U.S. tax-exempt investors? If so, to what extent?

12. Does your firm accept investment managers as clients? If so, for what products? Please disclose the investment management firms that are clients and the revenue received from these firms during the past five years.

13. Does your firm permit its staff members to serve on boards of directors? If so, are any restrictions placed on this activity and how is their director compensation treated?

14. Please attach as Appendix E your firm's Conflict of Interest Policy and a description of policy enforcement procedures.

15. How many investment management firms are listed in your database? Please furnish a listing of firms, and attach as Appendix F.

16. Do you have a separate investment manager database for minority and/or women owned businesses or businesses owned by persons with a disability? If so, how many firms are included? What are the criteria for inclusion? Please provide a list of minority and/or women owned businesses or businesses owned by persons with a disability found on your database and attach as Appendix G.

17. Does your firm qualify as a minority owned business, a woman owned business or as a business owned by a person with a disability as these terms are defined in the Illinois Business Enterprise for Minorities, Females, and Persons with Disabilities Act?

B. ASSETS ADVISED

1. Please complete the following chart:

12/31/0X	12/31/0X	12/31/0X	12/31/0X	12/31/0X
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Total assets advised (all asset classes, \$ millions)

Total number clients (all asset classes)

2. Please list all U.S. tax-exempt pension accounts currently advised in the format shown below. If name of client can not be divulged, state type (i.e., “Public Fund” or “Corporate Fund”) instead. Also, please highlight public pension funds.

Name	Date of Inception	12/31/0X Market Value (\$ millions)	General Description of Portfolio
_____	_____	_____	_____

3. Please give details on the number, name(s) and asset value(s) of all terminated U.S. tax-exempt institutional client relationships in the past three years, with reasons for the termination. Please provide the name, contact, title and telephone number of three clients which have terminated your firm’s services in the last three years.

4. Please provide the name, address, phone number, contact name, and title of three U.S. tax-exempt public pension fund consulting clients as references.

C. PERSONNEL

1. List below the total number of persons employed by your firm:

	Total
Consultants	_____
Research Analysts	_____
Performance Measurement Specialists	_____
Other Professional	_____
Support/Clerical	_____

2. Please list all principal officers, consultants, and client service officers by name, providing appropriate biographical information. Highlight the person(s) who would be responsible for the IMRF account. This information should be provided in the format below.

Name	Office Location	Title	Responsibilities	Ttl Yrs. of Experience	Yrs. with Firm	Education *Degree/ College
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* Most advanced degree only.

3. For the primary IMRF consultant identified above, and for any person serving as backup, please provide detailed biographies, including statements of the length of time of each at your firm. (Attach as Appendix H).

4. For the primary IMRF consultant listed above, please disclose the total assets and number of clients advised, and any other duties assigned to that person.

5. It is desirable that the personnel assigned to service the IMRF account have previous experience in providing services to a public pension fund. Please attach as Appendix I a brief description of the primary and any backup consultants' experience servicing public pension fund clients. Please be specific in terms of the year these individuals acquired their first public pension fund client, and the total public fund assets and number of such clients currently serviced.

6. Please describe your firm's back-up procedures in the event the primary consultant assigned to this account should leave the firm or is not available to attend a scheduled meeting.

7. Have any senior personnel left the firm in the last three years? If so, please indicate when and why. In which products were they involved? For personnel who have left, indicate job titles, years with the firm, when they left, and who replaced them.

8. Please discuss the compensation package available to your firm's professional staff, including any incentive bonuses and how they are awarded. Please be detailed and specific without necessarily disclosing dollar amounts.

9. What other programs do you have in place to retain key staff? Please be detailed and specific.

10. Please describe your internal training procedures for consultants, research analysts, and performance measurement specialists.

11. How often would the primary consultant be available for client meetings and meetings with IMRF investment managers?

12. Please fill out the following Diversity Profile table for your entire firm.

**Illinois Municipal Retirement Plan
DIVERSITY PROFILE—Investment Consultants**

Summary Listing as of December 31, 200X

Total Firm

All data should be for Full-Time employees and is as of the most current date available by the managers.

Original document placed in consultant's legal file.

Other Minorities are classified as American Indian, Alaskan Native, Asian/Pacific Islander.

Note: If a female is also a minority, the employee is listed as a African American, Hispanic/Latino or Other Minority, not as a female, and **not** under both.

YEAR: 2008

Investment Consultant	Asset Class	Work Group	Total Employees	Non-Minority Female	African American	Hispanic / Latino	Other Minority	Ttl Minorities and Females
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Name	Consultant	Senior Executives / Principals	0	0	0	0	0	0
		Investment Professionals (Directors)	0	0	0	0	0	0
		Investment Professionals (Associates)	0	0	0	0	0	0
		Investment Professionals (Analysts)	0	0	0	0	0	0
		Sales / Marketing & Client Services	0	0	0	0	0	0

Office / Clerical	0	0	0	0	0	0
Technicians	0	0	0	0	0	0
Other Non-Professionals	0	0	0	0	0	0
Total	0	0	0	0	0	0

SAMPLE RFP

SAMPLE RFP

SAMPLE RFP

10.4 GENERAL CONSULTING PROPOSAL

A. Please describe your investment philosophy and process. Include the approach to formulating goals and objectives, and a description of the modeling concepts and related methodology used to perform asset allocation modeling. Also, address the decision-making process and the titles and responsibilities of the various individuals involved in each step of the process.

B. What is the range of target allocations which you are currently recommending to your clients? How and why have you revised these recommended ranges over time?

C. What expected risk and return assumptions are you currently recommending clients use in their total portfolio asset allocation modeling? If these vary by investment time period or by publicly traded vs. private investment vehicles, please specify the assumptions for each category. How and why have these assumption recommendations changed over time?

D. What role and proportion does your firm generally recommend for non-U.S. dollar denominated assets for U.S. tax-exempt client portfolios? For alternative investments? For indexation? What is your firm’s recommendation on currency hedging?

E. Please describe your investment manager search process and capabilities. Include descriptions of the development and maintenance of your investment manager database, and the criteria used to make manager recommendations. To the extent possible, furnish an example of a recent search, including the circumstances surrounding the decision to search for a new investment manager, your role, any recommendation your firm made, the selection criteria followed, the final selection, and post selection performance of the investment manager.

F. Please indicate, in the format below, the number of investment manager searches with which you have assisted clients during the last three years:

U.S. Equity	_____
U.S. Fixed Income	_____
Global Equity	_____
Global Fixed Income	_____
International Equity	_____
International Fixed Income	_____

Emerging Markets _____

Alternative Investments _____

**Minority and/or Women owned
investment managers or investment
managers owned by a person
with a disability** _____

G. Please describe your firm's philosophy in the area of investment manager fee structures. Please be specific by including your firm's philosophy on the use and structure of performance based fees.

H. Please provide a description of the methodology by which your firm monitors existing investment performance. Cite specific examples where a client's portfolio performance was enhanced or a potential problem identified and corrected as a result of your monitoring activities. What benchmarks and objectives do you use to evaluate investment manager and portfolio performance?

I. Please cite instances where your advice led to changes in a client's investment manager.

If you became convinced that a particular change was necessary to the structure, management or objective of one of your client's existing investments or investment managers, what process would you follow in promoting adoption of the change?

J. Please indicate in the format below the number of clients currently advised who are using these investment management firms. These are the non-real estate investment management firms currently used by IMRF.

<u>Investment Manager</u>	<u>Asset Class</u>	<u>Number of Clients Currently Advised</u>
Investment Manager A	Private Equity	
Investment Manager B	Private Equity	
Investment Manager C	U.S. Equities (Large Growth)	
Investment Manager D	Fixed Income (Enhanced Index)	
Investment Manager E	Int'l Equities (Large Cap)	
Investment Manager F	Int'l Equities (Large Cap)	
Investment Manager G	Int'l Equities (Large Cap)	
Investment Manager H	Int'l Equities (Large Cap)	
Investment Manager I	U.S. Equities (Micro Cap)	
Investment Manager J	U.S. Equities (Small Value)	
Investment Manager K	U.S. Equities (Large Value)	
Investment Manager L	Int'l Equities (Large Cap)	
Investment Manager M	U.S. Equities (Small Growth)	
Investment Manager N	Fixed Income (High Yield)	
Investment Manager O	U.S. Equities (Small Growth)	
Investment Manager P	Int'l Emerging Markets	
Investment Manager Q	Hedge Fund-of-Funds	
Investment Manager R	Hedge Fund-of-Funds	
Investment Manager S	Fixed Income (High Yield)	
Investment Manager T	Fixed Income (Core)	
Investment Manager U	Hedge Fund-of-Funds	
Investment Manager V	Int'l Equities (EAFE Index)	
Investment Manager W	U.S. Equities (DJ US Ttl. Stock Mkt. Index)	
Investment Manager X	U.S. Equities (S&P Growth Index)	
Investment Manager Y	U.S. Equities (S&P Value Index)	
Investment Manager Z	Fixed Income (Barclays Agg. Index)	

What specific methods would you use to keep IMRF Trustees and staff abreast of significant developments in the investment field?

M. Do you have an investment manager database that is made available to clients? Does your investment manager database identify minority and/or women owned firms and firms owned by persons with a disability? Please describe.

10.5 REAL ESTATE CONSULTING PROPOSAL

A. Please describe your real estate investment philosophy and process. Include the approach to formulating goals and objectives, and a description of the modeling concepts and related methodology used to perform asset allocation modeling. Also, address the decision-making process and the titles and responsibilities of the various individuals involved in each step of the process.

B. What is the range of real estate target allocations which you are currently recommending to your clients? How and why have you revised these recommended ranges over time?

C. What expected risk and return assumptions are you currently recommending clients use in their real estate portfolio asset allocation modeling? If these vary by investment time period or by publicly traded vs. private investment vehicles, please specify the assumptions for each category. How and why have these assumption recommendations changed over time?

D. What role and proportion does your firm generally recommend for non-U.S. dollar denominated assets for U.S. tax-exempt client portfolios? What is your firm's recommendation on currency hedging?

E. Please describe your real estate investment manager search process and capabilities. Include descriptions of the development and maintenance of your real estate investment manager database, and the criteria used to make real estate manager recommendations. To the extent possible, furnish an example of a recent search, including the circumstances surrounding the decision to search for a new real estate investment manager, your role, any recommendation your firm made, the selection criteria followed, the final selection, and post selection performance of the real estate investment manager.

F. Please indicate, in the format below, the number of real estate investment manager searches with which you have assisted clients during the last three years:

Core	_____
Value Added	_____
Opportunistic	_____

**Minority and/or Women owned
investment managers or investment
managers owned by a person
with a disability**

G. Please describe your firm’s philosophy in the area of real estate investment manager fee structures. Please be specific by including your firm’s philosophy on the use and structure of performance based fees.

H. Please provide a description of the methodology by which your firm monitors existing real estate investment performance. Cite specific examples where a client’s portfolio performance was enhanced or a potential problem identified and corrected as a result of your monitoring activities. What benchmarks and objectives do you use to evaluate real estate investment manager and portfolio performance?

I. Please cite instances where your advice led to changes in a client’s real estate investment manager.

J. If you became convinced that a particular change was necessary to the structure, management or objective of one of your client’s existing investments or real estate investment managers, what process would you follow in promoting adoption of the change?

K. Please indicate in the format below the number of clients currently advised who are using these real estate investment management firms. These are the real estate investment management firms currently used by IMRF.

Investment Manager	Asset Class	Number of Clients Currently Advised
Investment Manager 1	RE – Core	
Investment Manager 2	RE – Core	
Investment Manager 3	RE – Value Added	
Investment Manager 4	RE – Value Added	
Investment Manager 5	RE – Opportunistic	
Investment Manager 6	RE – Opportunistic	

L. What specific methods would you use to keep IMRF Trustees and staff abreast of significant developments in the real estate investment field?

M. Do you have a real estate investment manager database that is made available to clients? Does your real estate investment manager database identify minority and/or women owned firms and firms owned by persons with a disability? Please describe.

10.6 PERFORMANCE MEASUREMENT CONSULTING PROPOSAL

A. Describe how your firm will obtain data from IMRF's Master Trustee and investment managers.

B. Describe your firm's quality control procedures. How does your firm verify the accuracy of data received from the Master Trustee?

C. What is your firm's step-by-step process for return reconciliation? How will discrepancies between your firm and the managers be investigated and resolved?

D. Discuss the timing of reliable performance data and report availability. Does your firm provide daily performance numbers?

E. Does your firm provide on-line performance information?

F. List the Universes that your firm uses.

G. Please provide IMRF with a sample monthly and quarterly reporting package. Are you willing to customize your reporting package?

H. Does your firm's quarterly reporting package contain attribution analysis at the total fund, asset class and investment manager level?

I. Does your firm comply with GIPS performance presentation standards?

J. How would IMRF receive index and benchmark returns from your firm? How soon after month-end would this information be available?

K. How would your firm report performance for real estate and alternative investments? Please describe any supplemental analysis your firm can provide for these asset classes.

L. Who would be the personnel assigned to our account and describe the back-up procedure in the event the assigned personnel are unavailable? Please provide biographies for all personnel that would be involved in the relationship.

M. What percentage of your firm's total revenue is derived from performance measurement services?

10.7 FEE PROPOSAL

A. Please provide separate fee proposals for general investment consulting services, real estate investment consulting services and a separate fee proposal for performance measurement consulting services. If applicable, also provide a bundled fee proposal for two or more consulting services. Your fee proposals should be annual retainer fees and should also include a schedule of fees for special services not included in the respective annual retainers. The fee quotations should be inclusive of administrative, third party, travel, and all costs of providing the Services to be Performed described in Part 3.

B. How are fees calculated and billed?

APPENDIXES TO QUESTIONNAIRE:

Appendix A - Description of Requirements of IMRF

Appendix B - Organizational Charts

Appendix C - ADV Part II or Comparable Report

Appendix D - Business Continuation and Disaster Recovery Policies and Procedures

Appendix E - Conflict of Interest Policy and Description of Policy Enforcement Procedures

Appendix F - Listing of Investment Manager Database

Appendix G - Listing of minority and/or women owned businesses or businesses owned by persons with a disability in your Investment Manager Database

Appendix H - Biographies of Primary and Backup Consultants

Appendix I - Description of Consultant's Public Fund Experience