



Illinois Municipal Retirement Fund U.S. Residential Real Estate Search Q&A

The deadline for Inquiries for interpretation was Monday, November 4, 2024. Please read the below Q&As for additional information.

Q: Please clarify the date for final submission of the RFP. Section 1.3 indicates the deadline is end of the day on November 22, 2024 and Section 6.1 indicates that the deadline is end of the day November 26, 2024. We are operating under the assumption the deadline is November 22, 2024.

A: We apologize for this oversight; the deadline is November 22nd by 11:59 pm CST.

Q: Will IMRF accept a fund that has a lower allocation to the residential sector than the 75% target if it is supplemented with a residential sidecar investment to bridge the difference?

A: No, IMRF will not accept a residential sidecar investment to bridge the difference.

Q: Would IMRF consider a diversified opportunistic equity fund that is projected to be 65% allocated to multifamily? We estimate that 65% of capital will be invested in multifamily, 25% of capital invested in industrial, and the remaining 10% of capital to be invested in a combination of retail and office, should office capital markets begin to function.

A: No, IMRF is seeking strategies that are expected to have at least 75% of capital invested in residential properties.

Q: Section 2.2 states that IMRF staff manages the Alternative Investments and Private Real Assets allocations within the portfolio. Please clarify whether the proposed \$50 million allocation in connection with the RFP will be managed as part of the Alternative Investments or the Private Real Assets allocations.

A: This RFP is for the Private Real Assets portfolio.

Q: Please confirm if the proposed \$50 million allocation will be split amongst the firms that are awarded an allocation and if so, what is the anticipated investment range, i.e. min/max amounts that IMRF will invest with any given firm?

A: IMRF intends to allocate at least \$50 million to residential real estate funds. Multiple managers will be considered. The allocation amounts are not predetermined and vary based on many factors.

Q: Would it be possible to connect over the phone to further discuss?

A: No, we are in the quiet period. The Quiet Period begins on October 28, 2024, and is the period of time beginning when the RFP is issued and ends when the firm(s) is (are) selected by the IMRF Board or the process is declared complete. Respondents should direct all questions and communications regarding this search during the Quiet Period to InvestmentsResponses@imrf.org. To avoid any violation of the quiet period, Wilshire Advisors and Callan LLC will be assisting with this RFP. Please review the RFP for additional information.



Q: Will tailored separately managed accounts focused on the residential sector be considered?

A: No, tailored separately managed accounts will not be considered.

Q: Will evergreen or open-end fund structures be considered?

A: No, only closed-end funds will be considered.

Q: I would like to confirm that, at this time, there is no opportunity either with this mandate or another for an open-end fund format submission.

A: No, there are no other RFPs or opportunities available at this time.

Q: Our firm is not registered as an investment adviser, or a bank as defined under the Investment Advisers Act of 1940 and does not qualify as an Exempt Reporting Adviser. Is it possible for us to be considered even though we do not meet this qualification?

A: Firms must be registered as an investment adviser or bank as defined under the Investment Advisers Act of 1940 or as an Exempt Reporting Adviser. IMRF may consider a response if the firm has immediate plans to become registered. Please state your expectations to become registered in the RFP submission.

Q: The firm is not a bank and is not an Exempt Reporting Advisor. Does the firm or “managing partner” of the firm responding to the RFP need to be registered as an investment advisor? Can the firm OR managing partner of the firm responding to this RFP have its investment advisor application ‘in process’ or does it have to be completed on the RFP submittal date or the date for the selection of firm(s)?

A: Firms must be registered as an investment adviser or bank as defined under the Investment Advisers Act of 1940 or is an Exempt Reporting Adviser. IMRF may consider a response if the firm has immediate plans to become registered. Please state your expectations to become registered in the RFP submission.

Q: Will a firm be considered if it’s an Exempt Reporting Advisor with less than \$250 million in AUM because it’s defined as a small firm.

A: Exempt Reporting Advisor with less than \$250 million in AUM will be considered.

Q: As of June 30, 2024, our firm manages gross assets \$466 million which includes LP & GP equity of \$176 million. The Fund we are raising will have a hard cap of \$300 million.

A: Since your firm currently manages close to \$200 million in equity and plans to raise a ~\$300 million fund, your RFP submission will not be disqualified if you choose to submit.

Q: Our firm recently launched a closed-end value-add first-time fund. The RFP states that the proposed strategy must have at least \$250 million in AUM, but it also mentions that first-time funds will be considered. Could you please confirm this?

A: First-time and smaller funds will be considered and you may submit your response.

Q: Would it be appropriate for us to apply for the RFP and parallel continue our conversations with your real estate manager of managers?

A: You may respond to the RFP and continue discussions with IMRF’s real estate manager of managers.



Q: The firm responding to the RFP is a joint venture of two existing firms. Please advise regarding the assumption that the RFP questions and the several certifications will be completed presenting information separately for each of the two component partner firms and for the consolidated joint venture firm.

A: The RFP questions, forms, documents, exhibits, and certifications should be completed by presenting information for the consolidated joint venture firm.

Q: The firm responding to the RFP is a joint venture of two existing firms that will leverage key personnel from the two component partner firms. Please advise regarding the assumption that the RFP response will show the organizational chart and corresponding personnel from each firm and how each of the two firms are integrated.

A: Yes, the RFP response should show the organization chart and corresponding personnel from each firm and how each of the two firms are integrated.

Q: The RFP indicates that firms “nearing the beginning of their fundraising period” will be considered for investment. We are a firm at the beginning of our fundraising period and we would like to know if we can assume that it will be acceptable to IMRF to submit post the November response deadline our firm’s Private Placement Memorandum and legal documents including the Limited Partnership Agreement and Investment Management Agreement?

A: IMRF anticipates reviewing the current fund PPM and LPA materials, among other pertinent materials as listed in the RFP as part of its due diligence process. To the extent fund documents are not available, please provide the most updated presentation and prior fund documents (if available) with your RFP submission. The current fund documents for which you are fundraising must be received no later than December 31, 2024.

Q: Under Section IV. Qualifications for the Assignment, the RFP states that “firms ... nearing the beginning of their fundraising period will be considered.” Since we are nearing the beginning of our fundraising period and will not have all official documents in final form by the submission date, can you confirm that we should submit the near-final draft documents instead?

A: Yes, please submit the near-final draft documents with your RFP submission.

Q: Please confirm the following only need to be signed if mandate is awarded / contract signed

Exhibit A: IMRF Disclosure Schedule of Certification

Exhibit B: High Risk Home Loan Act Certification

Exhibit C: Illinois Governmental Ethics Act Certification

A: Please complete and sign all Exhibits A-G and return them with your RFP submission for review.

Q: Are respondents required to submit in their proposal any of the certifications/forms listed in Exhibits A-G?

A: Please complete and sign all Exhibits (A-G) and return them with your RFP submission for review.



Q: As an ancillary doc, will you need a copy of the Fund deck? We do not recall seeing this request in the RFP.

A: You may submit a marketing presentation as part of Section 8.4 Additional Documents requested.

Under Section 8.4, Additional Documents requested, we have two questions:

Q: Firm standard DDQ (if applicable)-When is this applicable? We are using our existing DDQ to populate answers to the questions on attachments under Section 8.2, but do you also want the stock DDQ if the information is the same?

A: Yes, if you have a DDQ please submit it.

Q: Legal documents including but not limited to Limited Partnership Agreement, Investment Management Agreement, etc.- Under “etc.”, is there anything specific you’d like for us to include? Since we are nearing the beginning of our next fundraising period, we have several legal documents that are in the drafting process, but want to make sure we include the correct critical path items.

A: Please include at the minimum the LPA, Investment Management Agreement/PPM, and DDQ. Other documents that may be submitted if available include a marketing presentation, Summary of Terms, Legal Structure, Comparison of Key Terms from prior fund.

Q: If the Firm has managed similar vehicles, should that performance be used (i.e. traditional multi-family fund vs dedicated Affordable multi-family fund)

A: IMRF is accepting traditional multi-family and dedicated affordable multi-family funds as part of this search. Therefore, you may submit performance for either.

Q: For first time funds, how would you like performance history shown?

A: First-time funds may submit performance history from capital invested through joint ventures or individual deals, assets or funds with a similar investment strategy.

Q: Please confirm “Team Table” excel file should only include relevant investment team and not entire Firm.

A: The Team Table should be for Investment Professionals.

Q: On the team table, in the third tab for additions in the last 5 years, do you want the title they were hired with or their current?

A: The title at the time of hire.



Q: For the WMBE /Disabled reporting questions is this only for contracts in IL state or do you want a report of all contracts the GP has? Or, just state level contracts across all US states? Can you add clarity on what information you are asking to collect? Is that to include sub contractors in the case of general contractors or construction? Should those contracts be with the firm or at the property level as well?

A: No, it is for all contracts the GP/investment manager has at the firm level. For example, if the investment manager contracts with a MWBE law firm for professional services you would list that contract.

Q: Is there a suggested minimum limit for each of the lines of insurance coverage that IMRF requires of its investment managers per Exhibit G?

A: Please submit the coverage amounts currently in place. Further discussions on coverage amounts may take place if needed.

Q: Can you please define Gross IRR/Gross ROI, and Net IRR/Net ROI on the individual deal tab? Our question comes from the following context: Since the individual historic investments were conducted through various investment vehicles with a variety of joint venture structures, fee, and fund structures, it was necessary to use hypothetical calculations to provide reasonable comparability of Net Return information allocated by individual investment (assuming reductions for fund fees and expenses and 20% general partner promote). Can you confirm this is the correct way to interpret the Gross vs. Net return (by deal) request?

A: Yes, this is the correct way to present gross and net returns in this instance. You may add a footnote to the spreadsheet indicating the methodology used.

Q: Does Investment Type refer to position in the capital stack (i.e. GP/LP) or does it refer to whether it was an acquisition or development?

A: Investment type refers to the high-level investment strategy, e.g. Value-Added, Development, Recapitalization, etc.

Q: Can you please define what is being requested for the “ownership” column? Is this referring to which vehicle owns the asset or what % is the asset owned by us?

A: The percentage of the asset that is owned by the firm submitting the proposal. For example, if you owned an asset in a joint venture, you would provide the percentage owned by your firm or the vehicle you manage.

Q: What information are you looking for in the question “Provide examples of provisions that the Firm incorporates in contracts to protect its investments”—are you looking for excerpts from underlying real estate contract provisions, or something broader at the fund level?

A: Please provide examples of provisions with the underlying real estate contract.



Q: In the Question “Provide the Fund’s annualized pro-forma budget, detailing the expenses/costs required to conduct the business of the Fund during its entire life. For comparison purposes, provide similar budgets over the course of the two previous funds.” Are you requesting an administrative cost budget, or a forecast of timing of capital calls and distributions?

A: We are requesting the Fund’s pro-forma revenues and expenses. We are not requesting a forecast of capital calls and distributions.

Q: Performance Q #5: Can you define “lead partner?”

A: The investment professional that is primarily responsible for the asset (sourcing, diligence, monitoring, exit).

Q: Can you please confirm the type of Breach of Fiduciary Responsibility insurance certificate. Is it Fiduciary Liability or Fiduciary Responsibility as an Asset Manager (E&O insurance). We are unsure if you are requesting Fiduciary Liability or insurance for our fiduciary responsibility as an asset manager.

A: We are requesting insurance for Fiduciary Liability claims. This policy may be included in your E&O policy or as a stand-alone policy.

Q: As part of the submission, are you looking for references from Limited Partner?

A: Within the DDQ, we ask for information on investors. We may request additional information as the process progresses.

Q: Performance Data Request: For Square Feet, are you looking for gross or net? Strictly residential or residential + retail (or other use)?

A: Provide the gross square footage for the entire asset including all uses.

Q: Wilshire DDQ 2024, Strategy Section, #15: Could you clarify what you mean by the ‘expected write-down and write-off ratio’?

A: A write-down is when the asset becomes impaired due to the fair market value of the asset being less than the book value.

A write-off ratio is the total amount of write-offs divided by the total invested capital.

Q: Guidance says to submit the RFP in the same format. Are we allowed to submit final form of the RFP as a PDF document or is it preferable to stay in Word?

A: We prefer a Word document.

Q: For any of the submission documents, is there a word or character limit?

A: No, there is no limit. However, concise answers are appreciated.

Q: If our submission exceeds the allowable size limit for a single email (which is anticipated), what is the preferred method for sending subsequent emails?

A: You may submit multiple emails or submit a zip file.



Q: Can you confirm that the final submission is in digital form only and that there is no requirement to send a compiled hardcopy via snail mail.

A: No hard copy is required.