

**Real Estate Equity Strategies**  
**RFP #I-2025-2**  
**Response to Inquiries**

1. The RFP states that a firm must have at least 10 years of experience managing the proposed Product, evidenced by a continuous 10-year performance track record as of December 31, 2024. Would IPERS consider a firm that has been investing in the strategy for over a decade but launched a dedicated vehicle for it more recently?

Response: Yes. If the firm can demonstrate the required track record, and it is consistent with the recently launched vehicle.

2. The RFP requires the product to have at least \$1.0B in AUM as of December 31, 2024. Would IPERS consider a product that meets or exceeds \$1.0B in GAV but has a NAV below that threshold?

Response: Yes

3. I am reaching out regarding the RFP posting to see if there was any flexibility around the 10-year track record qualification. While our firm has a 16+ year track record, we began our core+ product in 2019, so the product-specific track record does not meet the 10 year qualification. That said, we feel strongly that it could be a good fit for your portfolio / intention to outperform ODCE and would certainly welcome the opportunity to participate in the search should you be open to accepting our application.

Response: No

4. Will single sector strategies be considered?

Response: No

5. Will Value Add strategies be considered?

Response: No

6. Is IPERS only looking for diversified strategies or will sector specialists (apartments for example) be reviewed?

Response: IPERS will only consider diversified strategies for this search.

7. Does the specific product (core plus fund in this instance) need to have a 10 year track record? Or does investing in the strategy (whether it be through separately managed accounts, etc.) or in another strategy (value add for example) suffice for the 10 years?

Response: No. The specific product does not have to have a 10-year track record. However, the firm must be able to demonstrate their historical track record in the product. Other strategies that are not consistent with the product will not suffice.

8. The RFP specifies a minimum AUM of \$1B, and I wanted to confirm whether newly formed funds with no legacy investments but below the required AUM would be considered if managed by a well-established firm with a long operating history.

Response: Newly formed funds will not be considered unless the firm has at least \$1.0 billion in assets under management in the product.

9. Does a firm with a 10+ year core / core+ track record meet the requirement for submission, or do you require the fund itself to have a 10-year track record?

Response: Yes. A firm with a 10+ year track record in the product meets the minimum qualification.

10. Is IPERS only looking to invest in an existing product or would it be open to exploring a customized product tailored to IPERS' requirements? If the latter, what is the best way to respond with that in mind?

Response: IPERS will consider an existing product and/or customized product. Proposals for a customized product should be tailored to the proposed product. References to existing products should be utilized to support/demonstrate how the proposed product would be successfully implemented.

11. Will you all accept single-sector focused investment products (i.e. industrial only fund)?

Response: No

12. For Exhibit E, attribution analysis, would you all accept the Fund's MSCI report? This includes allocation and selection by property type and geographic location for the Fund against the ODCE Index going back 10 years.

Response: Yes

13. It is my understanding IPERS is in search of a private real estate strategy given the placement of these assets in the private real estate investment portfolio. However, in reading the definition of the product and minimum requirements, it appears the search may be a bit more open (I also noticed IPERS has current REIT assets within its real estate sleeve). In light of this, would the plan be open to US REIT strategies for this search? We manage US REIT portfolios throughout core and non-core sectors and would be happy to create a customized separate account that would complement the existing holdings (and provide nimbleness in the future as exposures change). We are also happy to submit our composite portfolio that dates back to 1995.

Response: No. IPERS will not consider REIT strategies in this search.

14. Cortland is a sector-specific multifamily investment manager, so we only invest in US multifamily. Will that be too narrow, as the RFP indicated that a diversified sector approach is preferred? While we have been actively investing in the product for 20 years, our core+ vehicle has only been in existence for 6+ years. I saw that there was a 10yr minimum – is that for the specific product we'd suggest, or the firm as a whole?

Response: IPERS will not consider sector-specific managers in this search.

15. We currently have two funds open for investment that may fit your mandate but we would like to clarify the qualification criteria. Before proceeding, we want to better understand (i) the target return expectations for this mandate and (ii) the preferred duration for the fund in scope.

Response: The unlevered target return expectation for a core and/or core-plus real estate equity strategy is mid- to high-single digits over time. The preferred duration for the strategy is long-term.

16. This minimum requirement in Part D, does this mean the fund size needs to be \$1B+? Or our Firm needs to have \$1B in AUM?

***“The Product must have at least \$1.0 billion in assets under management (NOTE: this figure should not include uninvested commitments) as of December 31, 2024.”***

Response: The firm’s product must have at least \$1.0 billion in assets under management. This amount can be cumulative across multiple, specific products.

17. Are 2nd funds open or does it need to be fund 3 or 4+?

Response: IPERS will consider 2<sup>nd</sup> Funds, if the firm meets the minimum qualifications.

18. The Real Estate Equity Strategies RFP outlines that the return objective is to “exceed the National Council of Real Estate Investment Fiduciaries NFI-ODCE Index, net of investment fees.” Additionally, the Private Markets Investment Policy indicates a secondary return objective for the other real assets portion of the program is to exceed CPI + 5% over rolling 10-year periods, net of investment management fees. Could you clarify whether there is a specific excess return target above the NCREIF NCI-ODCE Index for the core and core-plus real estate equity strategy you are evaluating, or provide guidance on your expectations?

Response: There is not a specific excess return target above the ODCE Index. IPERS’ expectation is that certain characteristics (leverage, core-plus strategies) would deliver greater excess returns.

19. What is the potential initial allocation that IPERS may consider to the selected Product?

Response: If an initial allocation is made, the minimum amount would be \$100 million.

20. Does IPERS have any current overweight or underweight exposures to specific property types or geographic regions within its existing portfolio? If so, will these considerations influence the evaluation of new proposals submitted in response to this RFP?

Response: IPERS’ real estate portfolio is currently within +/- 7% of the ODCE property type and geographic regional weights. Portfolio fit will be a consideration when reviewing proposals.

21. Point 2 in the section states: “The firm must have at least 10 years’ experience managing the proposed Product as of December 31, 2024, evidenced by a minimum 10-year continuous performance track record as of that date.” We would appreciate it if you could confirm whether: the proposed fund itself must have been in the market for at least 10 years, or the bidding firm needs to demonstrate 10 years of experience managing real estate funds, even if the proposed fund has a shorter track record.

Response: See Question 9 above.

22. [REDACTED] has a real estate product that we would like IPERS to consider for this RFP. However, as a standalone product, it does not meet the stated minimum requirements of a 10-year continuous performance track record or the \$1.0 billion AUM threshold. That said, [REDACTED] as a firm has a broader Real Estate Core/Core+ investment track record that exceeds 10 years, and our total AUM in this space is over \$1 billion. Given this, would IPERS consider our firmwide Core/Core+ real estate experience and AUM in assessing eligibility, rather than requiring the specific product to meet both thresholds independently?

Response: Yes

23. **10-Year Fund Track Record:** Our proposed strategy is in its 9th year, and therefore acknowledge we are near but shy of the requested 10-year track record. However, our firm has 30+ years of experience to draw from, including core real estate. We meet the other minimum investment criteria. Would IPERS be open to accepting a proposal?

Response: If the proposed strategy is consistent with the firm’s core real estate track record, IPERS would consider it.

24. **Allocation Size:** Understanding that IPERS may or may not make an initial allocation to the selected Product, are you able to share an estimated range or historical allocation size? Having a better understanding will assist us in calculating the lowest associated fees.

Response: Historically, mandates within the real estate portfolio have exceeded \$500 million in NAV.

25. The RFP references US, but will you consider Global Core strategies (North America, Europe, Asia)?

Response: No. IPERS is only considering U.S. strategies for this search.

26. If the proposed Fund only has 7 years track record, but the team/strategy has over 10 years track record, will you still consider?

Response: See Question 9 above.

27. Would you be open to Real Estate Secondaries Funds if the risk profile is Core/Core +?

Response: No

28. **General** - Can we format our response in our company branding/format?

Response: Yes

29. **Performance** - If we do not maintain a formal unlevered gross return objective/target, may we mark Question E.1 as “Not Applicable”?

Response: Provide the firm’s implied unlevered gross return objective along with any assumptions utilized to de-lever the product’s levered gross return objective/target.

30. Can MSCI Index attribution analyses be provided in lieu of the NCREIF-ODCE Index for Question E.4?

Response: Yes

31. **Terms** - If our product is a commingled fund, can we mark Question F.1 as “Not Applicable”?

Response: Yes

32. Given the request for a separate account, is there an anticipated mandate size?

Response: No. There is not an anticipated mandate size. See Questions 19 and 24 above.

33. Is this RFP looking for an equity-only product, or would IPERS consider a product that invests with both debt and equity?

Response: IPERS is seeking equity only products for this search.

34. Could you share how IPERS define a core/core plus mandate please?

Response: Core real estate strategies focus on high-quality, stable properties in prime locations, offering stable cash flow and low risk. Core-plus real estate strategies also target stable, income producing properties in good locations, but may require some Improvements or active management to enhance their value.

35. Will you consider a single sector strategy fund (e.g. Industrial)? If so, would you still want an attribution analysis as asked for in question E. 4?

Response: No. Single sector strategies will not be considered for this search.