



REQUEST FOR PROPOSALS

PRIVATE REAL ASSETS EQUITY

RFP # I-2023-1

Issued November 18, 2022

Iowa Public Employees' Retirement System

7401 Register Drive
Des Moines, IA 50321
Phone: 515-281-0030
Email: investments-rfp@ipers.org
Website: www.ipers.org

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PART 1

PURPOSE, DEFINITION OF PRODUCT, MINIMUM REQUIREMENTS AND SCOPE OF SERVICES

A. PRIVATE REAL ASSETS EQUITY PORTFOLIO DESCRIPTION

The return objective of the IPERS Private Real Assets Equity investment portfolio is to exceed CPI-U (NSA) by 500 basis points (CPI + 5 percent), net of investment fees. IPERS' Private Markets Investment Policy defines private real assets as physical assets that have intrinsic value due to their substance or properties and include investments in commercial real estate (real estate) and farmland, timber and infrastructure (other real assets).

IPERS' Private Real Assets Equity portfolio currently has substantial allocations/commitments to core real estate and core other real assets, but very little exposure to non-core real asset equity strategies.

B. PURPOSE

1. The purpose of this Request for Proposal (RFP) is to evaluate and select non-core real asset equity products. See definition of Product below. We are not requesting proposals for any core real estate or core other real asset strategies. IPERS may issue separate RFPs in the future to evaluate those types of strategies.
2. IPERS anticipates allocating up to \$400 million to non-core real asset strategies, depending on the quality of proposals received.
3. Any firm that meets the minimum requirements of this RFP is encouraged to submit a proposal. The RFP is available electronically on the IPERS website, www.ipers.org, and on the State of Iowa website, www.iowa.gov.

C. DEFINITION OF PRODUCT

The Product is defined as a non-core real assets equity strategy that is actively managed in a separately managed account and/or fund structure that makes investments in any of the following private real assets equity categories: real estate, farmland, timber and infrastructure.

Non-core real assets equity strategies encompass greater risk, through increased use of leverage, greater reliance on renovation or development and potentially a focus on secondary markets. In return for the greater risk, non-core real assets equity strategies should generate higher returns.

D. MINIMUM REQUIREMENTS

To be considered for the purpose stated above, all the following minimum requirements must be met:

1. The firm managing the Product must be registered as an investment adviser under the Investment Advisers Act of 1940 and provide its full Form ADV, or be an Exempt Reporting Adviser, or provide proof of bank exemption.
2. For open-ended commingled fund offerings, the Product must have at least \$1 billion in net asset value (**NOTE: this figure should not include uninvested commitments**) as of December 31, 2022. Additionally, the firm must be able to provide a track record that demonstrates its ability to successfully manage the Product offering.
3. For closed-end commingled fund offerings and/or separately managed account (SMA) proposals, the firm must have at least seven years' experience managing the Product's fund series and/or the proposed strategy as of December 31, 2022. Additionally, the firm must have at least \$500 million in assets under management in the proposed strategy.

E. SCOPE OF SERVICES

A Manager will be required to provide the following scope of services to IPERS:

1. Invest allocated funds in conformity with the investment policy and guidelines of the System, and as defined in the contract or partnership agreements established between IPERS and the firm.
2. Provide periodic reports and information relating to the investment strategy and other pertinent information pertaining to the investment of the System's assets, as requested by IPERS.
3. Participate in public meetings on a periodic basis as requested to provide information to the System concerning the investment performance of IPERS' assets.
4. Maintain a good working relationship with IPERS staff by providing timely information regarding material changes in the firm's organizational structure, staffing, assets under management and any other pertinent information IPERS staff may require in evaluating the performance of the fund and stability of the firm.

The scope of services defined in the final contract or fund agreements between IPERS and the Manager will be binding and will supersede this section of the RFP if different from the scope of services defined here.

PART 2

ADMINISTRATIVE INFORMATION

A. INSTRUCTIONS FOR SUBMITTING PROPOSALS

1. Managers responding to this RFP must provide answers to the questions posed in Part 3 of this RFP. All proposals must be complete in every respect and must answer concisely and clearly all questions proposed by the RFP. Late proposals will not be reviewed. A firm that wishes to submit multiple products must submit a separate complete proposal for each Product.
2. Proposals shall be submitted **with a cover letter stating in the affirmative that the firm meets each and all the minimum requirements listed in Part 1.D of this RFP**, that the firm's proposal is binding for 180 days from the date of the proposal, and that the firm is able and willing to provide the type and level of services required to fulfill the mandate proposed in this RFP. The cover letter and the offer made by the proposal, and any clarifications to that proposal shall be signed by an officer of the offering firm or a designated agent empowered to bind the firm in a contract. The cover letter must also identify any sections of the proposal that the firm is identifying as confidential. (See Disclosure of Proposal Content below.)
3. Proposals should follow the order of questions as they are asked in Part 3 of this RFP. In response to each question asked in Part 3, restate the **main** question (denoted by a number or a letter) in bold font followed by your answers stated in regular font. Responses should be thorough and answer the specific questions asked, (including the issues addressed in the bullet points following a question).
4. Submissions should include a standard pitchbook for the proposed Product. Any additional supporting material must be clearly referenced to the applicable question posed in Part 3. Information and materials which are strictly promotional in nature should not be used. The submission of such material may serve to disqualify the firm from further consideration.
5. Communication regarding this RFP or the firm's proposal shall only be made to the RFP Coordinator identified in item 8 below, and firms should not discuss the RFP or their proposal with other IPERS staff, Board members or IPERS' consultant. Firms will be given the opportunity to submit written requests for clarification of questions or terms contained in the RFP. In all cases, verbal communications will not override written communications.
6. IPERS reserves the right to amend this RFP at any time. In the event it becomes necessary to amend the RFP, all firms that were provided with the original RFP and those firms that responded to the original RFP will be provided with the amendment. In addition, the amendment will be posted in the same manner as provided in Part 1.B.3 of this RFP. A firm's response to this RFP must include an acknowledgement of all such amendments.
7. **Proposals must be received no later than 4:30 p.m. CST, February 10, 2023.**

8. A firm must submit its proposal **only** as an electronic file via email to investments-rfp@ipers.org. The email should be clearly marked with the subject "RFP # I-2023-1 Submission." Firms submitting proposals that do not meet the minimum requirements will be so notified.

The RFP coordinator is:

Melinda McElroy
Iowa Public Employees' Retirement System
7401 Register Drive, Des Moines, IA 50321
Phone: (515) 281-0030
Email: investments-rfp@ipers.org

B. REJECTION OF PROPOSALS

1. Firms responding to this RFP must restrict their proposed investment structure to that specified in this RFP. Proposals offering alternate or substitute structures will be treated as not meeting the RFP's minimum requirements and will be rejected.
2. IPERS reserves the right to reject without penalty any or all proposals in whole or in part received by this request, due to noncompliance with the requirements of this RFP or for any other reason. Issuance of this RFP in no way constitutes a commitment by IPERS to award a contract or to enter into a contract with a successful bidder. IPERS further reserves the right to cancel this RFP, to issue a new RFP, or to award a contract in whole or in part if deemed in the best interest of IPERS. The RFP and the RFP process are for the sole benefit of IPERS and its members. IPERS will not pay for any information herein requested, nor is it liable for any costs incurred by the submitting Managers.
3. After evaluation of the proposals, selection and approval by IPERS, all firms that submitted proposals will be notified of the successful firm or firms.
4. IPERS reserves the right to not hire or to defer the hiring of a firm for these management services.

C. DISCLOSURE OF PROPOSAL CONTENT

The laws of Iowa require that the content of bidders' proposals be maintained in confidence prior to the issuance of a notice of intent to award a contract. If IPERS issues a notice of intent to award a contract at the conclusion of the selection process, the contents of all proposals, excluding confidential information, will be placed in the public domain and open to inspection by interested parties. Trade secrets or proprietary information that are recognized as such and protected by law may be withheld, but only if designation of such sections is stated in proposing firms' cover letters and confidential information is clearly identified as such on each of the applicable pages within the body of the proposal.

Any proposal submitted which contains confidential 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 containing confidential information. Identification of the entire proposal as confidential shall be deemed non-responsive and disqualify the firm.

If the firm designates any portion of the RFP as confidential, the firm must submit one "excised copy" of the proposal to IPERS from which the confidential information has been excised. The confidential material must be excised in such a way as to allow the public to determine the general nature of the material removed and to retain as much of the proposal as possible. The firm's failure to request confidential treatment of material shall be deemed by IPERS as a waiver of any right to confidentiality, which the firm may have had.

D. PROPOSAL OBLIGATIONS

The contents of the proposal and any clarifications thereto submitted by the successful Manager shall become part of the contractual obligation and will be incorporated by reference into the ensuing contract.

E. DISPOSITION OF PROPOSALS

All proposals become the property of IPERS.

F. GRATUITIES

1. The laws of Iowa provide that it is a felony to offer or promise to give anything of value or benefit to a state employee with the intent to influence that employee's duties. Evidence of violations of this statute will be turned over to the proper prosecuting attorney.
2. IPERS provides reimbursement for transportation, lodging, meals and miscellaneous expenses for its employees.
3. IPERS employees are subject to stringent statutory restrictions relative to acceptance of gifts, meals, lodging or transportation from any service contractor. Except for expenses associated with attending Manager-sponsored educational conferences, and only to the extent such expenses are covered by the Manager for its other clients, no meals or travel expenses may be provided or subsidized by a Manager for IPERS employees.

G. IOWA STATUTES AND RULES

The terms and conditions of this RFP shall be construed in accordance with the laws of Iowa. Whenever differences exist between federal and state statutes or regulations affecting this procurement, interpretation shall be in the direction of that which is most beneficial to the interests of the state of Iowa.

H. SIGNATURE OF MANAGER'S AGENT

The offer made by the proposal, and any clarifications to that proposal, shall be signed by an officer of the offering firm or a designated agent empowered to bind the firm in a contract.

I. AWARD OF MANDATE

IPERS reserves the right to award this mandate not necessarily to the Products with the lowest fee or cost proposal, but to the Products deemed to provide the best match to the requirements of the RFP. The successful Products will be determined in accordance with the evaluation criteria defined by IPERS.

J. EVALUATION OF PROPOSALS

IPERS staff will evaluate the proposals according to the evaluation criteria specified in this RFP. The IPERS Investment Board must approve any Product selection.

K. EVALUATION CRITERIA

Proposals will be evaluated using the following criteria:

Organization	10%
Product / Product Team	30%
Process	20%
Performance	20%
Terms	20%

L. SCHEDULE OF EVENTS

1. **November 18, 2022** - RFP IS ISSUED
2. **December 9, 2022** - INQUIRIES - Inquiries and requests for interpretation or clarification of the RFP from potential bidders will be accepted only if provided via email. All inquiries must be received no later than 4:30 p.m. CST on this date. Firms must email their inquiries to IPERS at investments-rfp@ipers.org.
3. **December 23, 2022** - RESPONSE TO INQUIRIES - Responses and addenda resulting from requests for interpretation will be posted in the same manner as described in Part I.B.3 above no later than 4:30 p.m. CST on this date.
4. **February 10, 2023** - PROPOSALS DUE - The email containing the proposal and any excised copy of the proposal must be received by 4:30 p.m. CST on this date. **The proposal must be emailed only to investments-rfp@ipers.org**

M. AUTHORIZATION TO RELEASE INFORMATION

IPERS reserves the right, either directly or through its authorized representative, to obtain from all sources, pertinent information concerning a firm, a firm's products, services, personnel or subcontractors.

By submitting a proposal, the firm hereby authorizes IPERS and its authorized representatives to obtain information regarding the firm's performance on other contracts, agreements, or other business arrangements, its business reputation, and any other matter pertinent to the evaluation and selection of a successful firm in response to this RFP.

This includes, but is not limited to, the right to conduct criminal history, prior performance, reference checks and other background investigations for persons retained by the firm or other persons identified in the firm's proposal. This also includes, but is not limited to, the right to obtain, verify and consider information from sources such as the firm's performance of contracts for other clients.

The firm, in submitting its proposal, hereby releases, acquits and forever discharges IPERS, the state of Iowa, and their trustees, officers, employees, Board and Committee members, and agents from any and all liability whatsoever including all claims, demands, and cause of action of every nature and kind affecting the firm that it may have or ever claim to have in relation to information, data, opinions and references obtained by IPERS in the evaluation and selection of a firm in response to this RFP.

The firm, in submitting its proposal, authorizes IPERS and its authorized representatives to contact any and all of the persons, entities and references which are directly or indirectly, listed, submitted or referenced in the firm's proposal submitted in response to this RFP.

By submitting its proposal, the firm authorizes any and all persons and entities to provide information, data and opinions with regard to the firm's performance under any contract, agreement or other business arrangement, the firm's ability to perform, the firm's business reputation and any other matter pertinent to the evaluation of the firm. The firm and its partners, officers, directors, employees and agents hereby release, acquit and forever discharge any such person or entity and their officers, directors, employees and agents from any and all liability whatsoever, including all claims, demands and causes of action of every nature and kind affecting the undersigned firm that it may have or ever claim to have relating to information, data, opinions and references supplied to IPERS in the evaluation and selection of a successful firm in response to this RFP.

N. ETHICS POLICY

IPERS' staff and Board members are subject to an Ethics Policy adopted by the Investment Board (which can be viewed at <https://ipers.org/investments/investment-policy>). The Ethics Policy requires firms and their agents to disclose campaign contributions made to campaigns for public elective office of IPERS staff and Board members. If your firm is selected as a semifinalist, you will be required to disclose any campaign contributions made by the firm and/or its employees or agents to any campaign for public elective office of IPERS Board and staff members or their spouses within the previous two-year period.

O. APPEALS

Filing an appeal. Any firm that filed a timely bid or proposal and that is aggrieved by an award made by IPERS may appeal the decision by filing a written notice of appeal with Chief Executive Officer (CEO) Greg Samorajski, 7401 Register Drive, Des Moines, Iowa, 50321, within five calendar days of the date of award, exclusive of Saturdays, Sundays and legal state holidays. IPERS must actually receive the notice of appeal within the specified time frame for it to be considered timely. The notice of appeal shall state the grounds upon which the firm challenges the IPERS' award.

Procedures for vendor appeal. The appeal will be treated as “other agency action” in accordance with Iowa Code chapter 17A and cases interpreting this Code chapter. The procedure for an appeal of “other agency action” is to allow the firm an opportunity to be heard. To fulfill this obligation, the firm has five calendar days from the date the notice of appeal was filed with IPERS to submit any written arguments and documents it wants considered related to the merits of the appeal.

The aggrieved firm may, or may not, be afforded an opportunity to discuss the merits of the appeal with CEO Samorajski, over the telephone or in person. CEO Samorajski will issue a final agency decision related to the appeal. The exclusive means for a firm to seek further review of the final agency decision shall be governed by Iowa Code §17A.19.

PART 3
QUESTIONNAIRE

The proposal must answer the following questions:

A. MINIMUM REQUIREMENTS

1. Is your firm a registered investment advisor under the Investment Advisors Act of 1940? If yes, provide the firm's SEC File Number (e.g. 801-xxxxx). If your firm is exempt under the bank exemption, please explain and provide proof of such exemption.
2. Please designate whether the proposed Product is an open-end fund, closed-end fund or separately managed account. What is the inception date of the proposed Product? If the Product is closed-end, does your firm have at least seven years' experience managing the proposed Product's fund series as of December 31, 2022? Provide as **Exhibit A** (formatted as shown in Appendix I) a performance track record for the proposed Product and any other private real assets equity funds or SMAs the firm manages that are similar to the Product's mandate and/or demonstrate the firm's ability to successfully manage their proposed offering.
3. Provide as **Exhibit B** (formatted as shown in Appendix II) the NAV or AUM (**NOTE: these figures should not include uninvested commitments**) for the firm and the proposed Product as of December 31, 2022.

B. ORGANIZATION

1. Provide all the following information:

Name of Firm:	
Contact:	
Title:	
Address:	
Telephone #:	
Email Address:	

2. Provide a brief description of the firm and the types of investment products it offers. How long has the firm been in business? Provide a table with the firm's current total AUM by product line.
3. Explain the ownership structure of the firm and any recent or planned changes to the ownership or organization structure. Provide an organization chart that diagrams the ownership and interrelationships between the parent and any subsidiaries, affiliates and joint venture entities. Attach the chart to the proposal as **Exhibit C**.

4. Has the firm or any employee been involved in any business litigation or other legal proceedings related to any investment activities? If so, provide a brief explanation and indicate the status.
5. Has any member of the Product team ever been fined, censured, warned or otherwise formally reprimanded by a regulatory agency, professional association or society for matters related to investment activities? Has the firm fired or reprimanded any member of the Product team in the last five years for violating laws or company policies? If you answer yes to any of the questions, please describe the nature of the violations and the actions taken.
6. Provide the date of the last time the SEC or equivalent regulatory body performed an examination of your firm. Did the regulatory body issue a Deficiency Letter or take any other action because of the examination? If applicable, summarize any deficiencies noted in the exit letter, and the firm's progress in addressing those deficiencies.

C. PRODUCT / PRODUCT TEAM

1. Provide the name of the Product that is being proposed and describe the Product's investment thesis and investment strategy. Please describe how the strategy has evolved throughout its history. (Material differences from predecessor funds and/or anticipated changes in the future). Provide the proposed Product's standard pitchbook as **Exhibit D**.
2. Identify which category the Product belongs: real estate or other real assets. **(If a firm has a Product for more than one category or strategy, it must submit separate proposals for each Product.)**
3. Describe the types of investments in the Product and list out the typical investment guidelines for the Product.
4. What has been the average historical portfolio structure (investment size, geography, sector, leverage, stage, time horizon, preference of control, FX exposure, etc.).
5. What is the unlevered, gross of management fees, return objective for the Product?
6. Does the Product utilize leverage? If leverage is utilized, what is the levered, gross of management fees, return objective for the Product? Describe the fund and asset level financing options that are utilized and the typical terms for such financing?
7. Are co-investments relevant in the proposed Product. If yes, describe the typical structure and terms for co-investment opportunities, and address the following:
 - a. What is your firm's experience managing co-investments.
 - b. Is there a dedicated team for co-investments? If so, describe the team and their experience.
 - c. What is your current AUM in co-investments.
 - d. What has been your historical deployment over the past five years.
 - e. Summarize the historical performance of your co-investment book. Also, provide data around unrealized and realized losses, if applicable.

8. Is the Product available through either a limited partnership interest or separately managed account? Will the firm offer a fund-of-one separate account arrangement? If applicable, what is the minimum amount of investment required for a separately managed account?
9. Describe the Product's investment management team. Attach as **Exhibit E** a chart that depicts the roles of team members. Professionals should be identified with their areas of responsibility. If an Investment Committee is involved in the management of the Product, identify those professionals that are members of the committee.
10. Describe the Product's operational and workout teams.
11. If there is an incentive fee associated with the Product, describe how fund-level economics are expected to be distributed amongst the team and firm to ensure proper alignment.
12. Complete the table provided in Appendix III and include it in your proposal as **Exhibit F**.
13. Provide information regarding the turnover of professional personnel associated with the Product by completing the table provided in Appendix IV and including it in your proposal as **Exhibit G**.
14. Does the firm have a transition plan to deal with the possible departure of key investment professionals within the Product group? Describe the plan. Are there any planned or anticipated departures of key investment professionals?

D. PROCESS

1. Provide as **Exhibit H** a flow chart that illustrates the investment process from sourcing to exit (including workouts). The flow chart should include all the decision-making steps within the process. In addition, identify any relevant committees and identify who is ultimately responsible for investment decisions concerning the Product. Have there been any material changes to the investment process over the last five years. If so, please describe.
2. For each of the key steps identified in Exhibit H, provide a succinct description. Specifically for sourcing – provide a funnel chart summarizing the number of deals from initial review to closing. Provide the most recent deal flow log as part of your sourcing response.
3. Identify the key risks with respect to the Product. Describe the risk management process for each of these key risks.
4. Describe your valuation policies and the valuation process.
5. Are any functions throughout the investment process performed by third parties? If yes, identify those functions. Describe the firm's decision-making process for determining if a third party is used/not used.

E. PERFORMANCE

1. Summarize the performance of the Product, referring to each fund and/or separately managed account that was identified in **Exhibit A** as supporting your track record in the relevant real assets equity strategy. For funds and/or separately managed accounts that have underperformed their stated objectives, identify what caused the underperformance. Did the underperformance lead to any changes in the firm's Product and/or investment process?

2. Discuss the historical performance of the Product relative to IPERS' Private Real Assets Equity objective of CPI + 5 percent. Also, discuss how the Product's historical performance compares to relevant market averages both from an IRR and multiples perspective.
3. Describe why you believe the Product will be able to achieve IPERS' Private Real Assets Equity objective of CPI + 5 percent going forward.
4. Identify what percent of the Product's gross return came from income, appreciation and leverage.
5. Describe the two worst performing Product investments. Explain what the initial investment thesis was and what went wrong with each investment, and what steps the firm took to mitigate losses and/or make the investment viable again.

F. TERMS

1. What is the proposed management fee structure? Is the management fee calculated on commitments or net asset values? Provide a sample management fee calculation.
2. Does the Firm/Management Company or its affiliates receive fees for any services provided either directly or indirectly to portfolio assets of the Fund or the Fund itself? If so, please describe the nature of the services and the fee arrangement paid to the Firm/Management Company or its affiliates and any offsets applied against the management fee based on the amounts paid.
3. What is the proposed incentive fee? Provide a sample incentive fee description and calculation, including any high-water mark provisions, etc.
4. What are the organizational expenses for the Product?
5. What are the on-going operational expenses for the Product?
6. Will the Fund offer fee concessions for larger account sizes? If yes, please describe.
7. Describe any circumstance in which LP(s) are not investing under the standard terms described above.

PART 4
APPENDICES

Appendix I

Private Real Assets Equity Strategy Track Record

Provide a summary of all discretionary private real assets equity funds and SMAs managed by the firm since its inception

As of December 31, 2022

Proceeds

Performance

Fund / SMAs *	Inception Date	Committed Capital	Equity Invested	Realized	Unrealized	Total	Cash Yield	Gross IRR	Net IRR	Gross Investment Multiple	Net Investment Multiple
Fund I											
Fund II											
SMA I											

***Highlight the funds and separately managed accounts that utilized leverage to achieve the reported results. Provide footnotes on the levels of leverage used for the funds and separately managed accounts highlighted.**

Appendix II

Invested Capital Summary Table

	As of 12/31/2022	As of 12/31/2021	As of 12/31/2020	As of 12/31/2019	As of 12/31/2018
<i>All Firm Investment Management Products (USD)</i>					
Total Invested Capital:					
# of clients:					
# of public pension fund clients:					
Invested Capital for public pension fund clients:					
Tax Exempt Only Invested Capital:					
<i>Product (Proposed Fund) (USD)</i>					
Total Invested Capital:					
# of clients:					
# of public pension fund clients:					
Invested Capital for public pension fund clients:					
Tax Exempt Only Invested Capital:					

Appendix III

Product Personnel Information

Name of Professional	Title/Responsibilities	Years of Experience*	Years with Firms' Product*	Degrees/ Designations	Sponsoring Body/School
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Investment Committee:

Portfolio Management:

Key Support (Operations/Risk Management/Workouts/Research):

* As of 12/31/22

Appendix IV

Personnel Turnover

Indicate when and why any professional dedicated to the Product left or joined the firm in the past ten years. What were/are their job responsibilities? For personnel who have left indicate job titles and years with the firm and who replaced them.

Highlight the turnover of any investment/portfolio management team member and Investment Committee members who were directly involved in the decision making process of the strategy over the last ten years?

Date	Name/Title	Responsibilities	Years at Firm	Reason for Leaving	Replace by Name/Title
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Departed:

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Joined:

SUMMARY:

Total # of Professionals	# Joined	# Departed	% Turnover
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2018
 2019
 2020
 2021
 2022