



Emerging Manager Database Questionnaire for Real Assets

The Teachers' Retirement System of the State of Illinois (TRS) Emerging Manager Questionnaire lays the groundwork for TRS to evaluate "the Manager" as a potential provider of investment management services. The information submitted in this questionnaire regarding your firm and relevant investment product(s) will be added to the TRS internal emerging managers' database. For this reason, it is important that the information provided be complete and in the format requested. Please do not change the format or questions and keep your response to each question brief. Please include all relevant information including the **pitch book and offering memorandum**. Send a soft copy of your submission to EmergingManagersProgram@trsil.org.

This questionnaire will be used to evaluate real asset funds. If your product does not fall under this classification, please use the alternative questionnaires for public or alternative markets. Please submit a questionnaire for each product that is being submitted for consideration.

Before taking the time to complete this questionnaire, please keep in mind that the submitted strategy must be currently employed in the TRS main portfolio and is not a fund of funds model.

Contact and Company Information:

1. Please provide the following information (print or type):

Name of firm		
Mailing address		
City	State	ZIP code
Phone ()	Fax ()	
Web site http://		
Federal Employer Identification Number (FEIN)		

Contact person(s)

Name	Phone ()
Title	Fax ()
E-mail	

Summary of Fund & Terms	
Fund Name (Fund #) / Size	
Fund Strategy	
Management Fee	
Carried Interest	
GP Commitment	
Preferred Return	
GP Clawback (i.e., interim)	
LP Clawback	
Fee Offsets	
Investment Period / Fund Term	
Keyman Provision / Key Person(s)	
GP Removal	
No-Fault Termination	
Organization Expense Cap	

Please provide the following information in a typed attachment:

Please provide the history of your firm including when and how it was founded (please include mergers or team lift-outs).

Please provide the name of the investment product for consideration and the corresponding asset classes as well as the name of the appropriate benchmark for your product. Please indicate which investment strategy best describes your proposed investment strategy; Core, Value-add or Opportunistic, or Other (Please list). Please comment as necessary.

Please discuss how this investment strategy integrates into your firm's overall structure and the percentage of firm assets and revenue accounted for by this product.

Is your firm currently registered as an Investment Advisor under the Investment Advisor Act of 1940? If yes, please attach a copy (tab as Exhibit A) of your most recent SEC Form ADV.

Is your firm currently registered to do business in the State of Illinois as an Investment Advisor?

Describe the entity TRS would contract with for the proposed investment advisory services and the ownership structure of that entity. Provide each identified entity's involvement in real asset investments within the last five years.

Please explain why your firm is considered an emerging or diverse manager, including but not limited to size of the firm, assets under management, length of track record, ethnic minority ownership, etc.

Please fill out Schedule A-1 regarding demographic information about **full-time staff members** employed at your firm. (Refer to Excel Supplement Schedule A-1)

Please describe your firm's initiatives for diversity in the Senior Executive/Management and Investment Professional ranks.

Is the management entity covered by errors and omissions insurance? If yes, how much coverage do you have? If no, please explain why.

12. A.) Have there been any changes in ownership structure in the last five years? If yes, when? Please describe the nature of the change.
- B.) Are there any anticipated changes in the ownership structure, core line of business, or senior staffing of your firm?
13. What safeguards for the investors is your firm providing in the event there is turnover of key people in the firm (e.g. limited partner advisory board, key person provisions, and/or no-fault termination provisions)?
14. Provide an organizational chart (attach and tab as Exhibit B). Include the number of investment professionals and non-professionals in total and those that will be assigned to the TRS account for each of the following categories: Acquisition, Asset Management, Client Relations, and Research. Also identify your key employees by title, function, years with your firm, years as an investment professional, years of real asset investment experience, and educational background. Also, please provide a short biography of the individuals.
15. Provide a breakout of each team member's time allocation between Deal Sourcing, Due Diligence, Investment Monitoring, Administration, and Outside Activities. Please give a clear indication of all outside activities including attending to other business interests.

Professional	Title/Role	Team's Percentage Time Allocation						Total
		Deal Sourcing	Analysis/Due Diligence	Negotiating / Structuring	Investment Monitoring	Admin	Outside Activities	
								100%

16. Give a brief description of your firm's compensation arrangements for investment professionals (e.g. salary, bonus, group/individual performance incentives, profit sharing, equity ownership, etc.).

Investment Professional	Title/Role	Salary Amount (\$)	Bonus Amount (\$)	Other Incentive Compensation
Total				

17. Is your firm planning to hire any additional personnel, professional or support, in connection with the management of the TRS account?

18. Does your firm do business in areas other than asset management (brokerage, consulting, etc.)? If so, please provide a listing of your firm's divisions along with their contribution to the firm's total revenues and expenses (in percentage terms). Is it anticipated that the entity TRS is considering retaining will use the services of affiliate firms? Do you consider this a conflict of interest? Why or why not?
19. Did or will the firm provide or share, agree to provide or share, or arrange to receive, provide or share any payment, compensation, benefit or reciprocal influence, direct or indirect, to any individual or entity for assisting in (a) soliciting, marketing for, or obtaining the engagement; or, (b) maintaining the engagement or performing the services pursuant to the engagement. If the answer is "yes," provide for each such individual or entity: (a) the name and address of the individual or entity, (b) a description of the assistance provided, and (c) the payment, compensation, benefit, or reciprocal influence. *(In the event the investment manager has agreed to pay a third party any introduction or referral fee in connection with the proposed investment management relationship with the System, Staff shall disclose to the Board in writing before the investment relationship is approved by the Trustees the identity of the payee as well as the terms of any such proposed payment prior to the System becoming obligated to proceed with the investment).*
20. Provide a five-year business plan outlining your firm's goals and objectives. Attach a Strategic Business Plan (tab as Exhibit C).
21. Describe your financial condition and sources of revenues and expenses in detail. Provide most recent financial statements (tab as Exhibit D).
22. Please provide the identity of your principal banking relationship and the name and telephone number of your account representative.

Legal Issues

23. Has your firm ever been involved in any litigation arising from the firm's role as an investment manager? Is your firm currently involved in any litigation? Please comment.
24. Has a civil legal judgment of any kind ever been entered against a shareholder, partner, officer, or key employee of your firm? If the answer is yes, please provide the details including the date of judgment, jurisdiction, and the current status of the proceeding.
25. Has any current shareholder, partner, officer, or key employee of your firm ever been terminated or forced to resign from his/her employment for reasons related to professional competence, ethical and/or financial improprieties, and/or unsatisfactory performance? If the answer is yes, please provide the details including the name of the individual and the identity of the former employer, together with an additional copy of the authorization form signed by the identified individual.
26. Has any shareholder, partner, officer, or director of your firm ever been charged with and/or convicted of a criminal offense (other than traffic court violations) or charged by any regulatory agency with violations of financial or professional regulations? If the answer is yes, please provide all details including the caption of the proceeding and its disposition and/or status.

Assets Under Management

27. Describe the total investment portfolio currently managed by your firm, including the total assets currently under management. Provide gross and net returns for prior fund(s) and for all investments made since inception. Provide a separate list for all real asset investments made (by fund), in the format requested in Schedule B (tab as Exhibit E). If no fund investment track record exists, please provide a separate list for each key investment professional which details all real asset investments made, in the format requested in Schedule B (tab as Exhibit E). Provide also a

consolidated track record of all real asset investments made by the key investment professionals, in the format requested in Schedule B (tab as Exhibit E).

- 28. Provide a list of “hard” and “soft” commitments to the fund you are currently marketing. Please provide the allocation each investor has made or is anticipating making, to your new fund. Please provide the total dollar amount of commitments you are seeking for the new fund. Also, please provide the maximum dollar amount of commitments your firm will accept for the new fund.
- 29. Provide a schedule showing the projected capital calls to the new fund and projected distributions from the new fund for each year of the partnership.

References (tab as Exhibit F)

- 30. Provide a complete current client list with the contact person and telephone number. Please specify the type of client (e.g. public fund, endowment, corporate, or private investor). Provide a list of former clients, with contact person, address, and telephone number, who have discontinued their relationship with your firm in the past three years and state the reasons the client discontinued the relationship.
- 31. Provide a complete current investment list with the name and telephone number of the CEO for each investment. Also, provide a complete list of liquidated investments with the name and telephone number of the CEO for each investment. Provide a complete list of contact persons and their telephone numbers for co-investors and/or financing sources in any of the investments listed.
- 32. Provide a list of all legal firms, audit firms, and principal banking relationships your firm has used in the last five years, with contact name, address and phone number, and any other relevant information.

Deal Flow

- 33. How does your firm generate deal flow?
- 34. How extensive is your firm’s network of contacts that serve as a source of potential investments?
- 35. How many potential investments does your firm review in a year?
- 36. How many investments are made in an average year?

Investment Strategy and Process

- 37. Why do you believe that institutional investors should consider investing in real assets in the current market? Please discuss both favorable and unfavorable characteristics of real asset investments from the perspective of institutional investors.
- 38. What type of investment strategy does your firm employ? How does it differ from your peers?
- 39. Please provide, based on your firm’s current investment strategy and policies of diversification in building a portfolio of real asset investments, the following diversification breakdown. What would be your firm’s largest recommended exposure in the diversification models listed below?

By Geography	_____ %	_____
_____	_____ %	_____
By Investment Type	_____ %	_____
_____	_____ %	_____

40. What are the areas of focus at the firm and how do the backgrounds of the principals compliment these sectors?
41. If applicable, please describe the firm's experience and qualifications in overseas real asset investing.
42. Please indicate the loss ratios of prior funds.

Investment Due Diligence

43. What key management qualities are sought in potential investments?
44. How are objective references obtained?
45. What questions are the references asked?
46. How are the products/services of a potential investment evaluated?
47. What sources are used to evaluate market potential?
48. How extensive is the market analysis?
49. How is the past performance of a potential investment evaluated?
50. How are potential investments valued (market value, prospective future value, etc.)?
51. What internal review process is used to screen potential investments?
52. Who makes the final decision to invest? Under what circumstances would you decline an investment?
53. Describe how post-investment decisions related to the investment will be conducted.
54. How is the due diligence process documented?
55. With foreign transactions, will your firm conduct due diligence to the same level of thoroughness as on domestic investments? How will this be handled? (If applicable)
56. What portions of the due diligence process does your firm outsource or subcontract, (e.g. legal, audit)? Please describe.

Negotiation

57. Describe the key considerations and deal points in negotiating the pricing, terms, conditions, representations, and warranties of an investment.
58. Do you conduct investment negotiations in-house, and to what degree do you use outside counsel in the negotiation process?
59. What are the qualifications of the person(s) responsible for investment negotiations and who is responsible?
60. How many times in the last three years has the firm discontinued interest due to negotiation of terms and/or pricing?
61. Provide specific examples of contract provisions your firm has incorporated in contracts to protect investments.

Documentation and Closing

62. Describe the process used in the documentation and closing of investments.
63. What portions of the documentation and closing process does your firm outsource or subcontract, (e.g. legal, audit)? Please describe.

Exiting/Liquidity

64. How does your firm plan for liquidity in real asset investments?
65. How many investments have your firm managed through to complete liquidity?

Monitoring, Reporting, and Adding Value

66. What observer/directorship rights does the partnership have in a typical investment?
67. What does your firm do to add value to the investments after they are made? Please provide an example of how your firm's active participation enhances investor value once an investment is made.
68. How frequently is your firm in contact with the management at the assets your firm has invested in?
69. Describe the methods employed to determine investment valuations in reporting to investors.
70. Has your firm ever managed an investment in crisis? Please give a brief description.
71. What methods does your firm employ to detect early problems in investments?

Partnership Reporting

72. Briefly describe your internal accounting capabilities and your abilities to fulfill the necessary reporting requirements of an institutional client.
73. Is your firm flexible in generating investor-requested reports?
74. Attach a sample of the year-end financial report your firm prepares for investors (tab as Exhibit G).
75. Describe your firm's information management system. Please provide specifics on hardware and software.

Fee Proposal

76. Outline the fee structure under which you are prepared to contract with TRS. Is it negotiable?
77. How does the fee structure stipulated in the above answer compare to your other clients' fee structure?

Other

78. Include any additional information that TRS should be aware of to complete the due diligence process.

Certification

In the event the Manager is hired by TRS, the Manager hereby warrants and attests that no finder’s fee was paid, or will be paid, to any outside entity or person or any persons employed or affiliated by TRS and complies with the prohibition on contingent and placement fees as provided in the Illinois Pension Code, 40 ILCS 5/1-145. Additionally, any misrepresentation provided in this questionnaire, after any funding that may occur, is grounds for termination of the portfolio.

By signing, I certify that this information is correct. I am aware that pursuant to the Illinois Pension Code, 40 ILCS 5/1-135, any person who knowingly makes any false statement or falsifies or permits to be falsified any record in an attempt to defraud the Teachers’ Retirement system is guilty of a Class 3 felony.

Prospective manager name (print or type)	Title (print or type)
Authorized signature	Date

This questionnaire will not be accepted unless it is signed and dated. Please send a soft copy of your submission to EmergingManagersProgram@trsil.org.

Schedule A-1, A-2, A-3, and A-4

If a female is also a minority, the employee is listed as an African American, Hispanic/Latino, Asian, or Other Minority, not as a female, and not under both. Other Minorities are classified as American Indian, Alaskan Native, Asian/Pacific Islander.

(Refer to Excel Supplement Schedule A-1, A-2, A-3, and A-4)

Schedule B – Track Record

Please provide a track record by fund and consolidated version. Provide the same for individual track records as well as for previous track records.

(Refer to Excel Supplement Schedule B)