

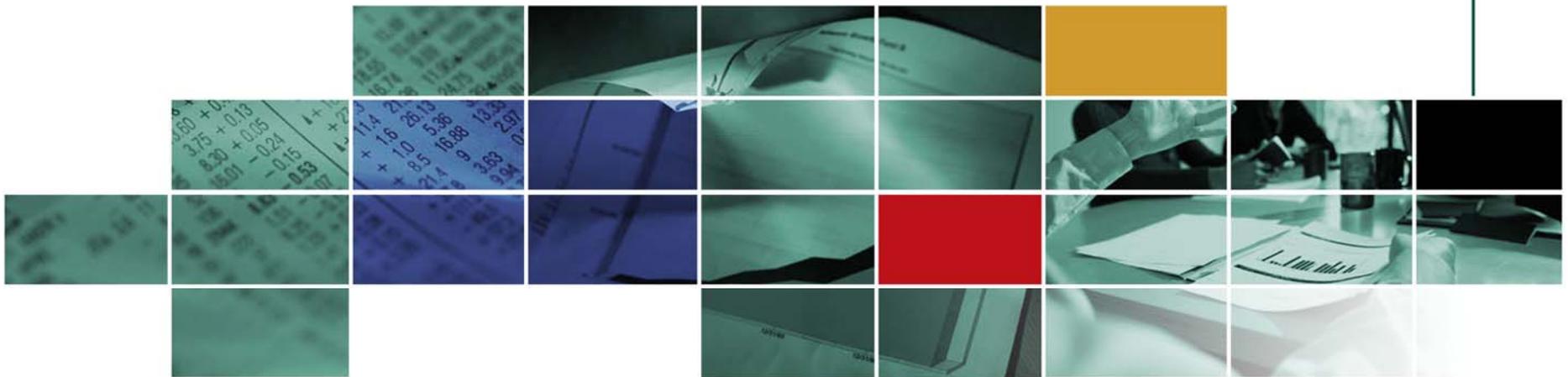
RVKuhns

▶▶▶ & ASSOCIATES, INC.

RVK Real Estate Consulting Group Investment Due Diligence Process

Real Estate Emerging Managers Summit

January 10-11, 2012





RVK Real Estate Consulting Group Overview



RVK Real Estate Consulting Group

Strategic Investment Consulting Is Our Only Business

- ▶ The RVK Real Estate Consulting Group advises a wide array of governmental, corporate, and endowment & foundation clients
- ▶ Over \$25 billion of real estate client assets under advisement

Reputation for Thoughtful Investment Advice

- ▶ RVK evaluates and recommends a wide array of investment opportunities for our clients, including first-time and “emerging” managers

RVK’s Strength in Building Real Estate Portfolios

- ▶ RVK evaluates each client’s unique circumstances when building real estate portfolios



RVK Real Estate Consulting Group

Our Business Model Has No Conflicts of Interest

- ▶ 100% of revenue comes from retainer services and project-based work

Operating Leverage of RVK Platform

- ▶ Real estate experience across investment management, plan sponsor, legal, audit, and other disciplines
- ▶ Dedicated performance measurement and analysis department
- ▶ Allows RVK real estate professionals to focus exclusively on due diligence and client service

Focused Investment Process

- ▶ We value independent thinking
- ▶ RVK does not simply follow market participant approaches without serious investigation into the merits and risks of those approaches



RVK Real Estate Consulting Group

Reliability and Integrity With Our Clients and Investment Managers

- ▶ RVK is a reliable partner for both our clients and investment managers
 - ▶ We strive to proactively seek out the best investment managers and often get referrals from the “best in the business” rather than wait for managers to come through our offices

RVK Provides the Full Range of Real Estate and Real Assets Consulting Services

- ▶ Plan Evaluation and Asset Allocation Guidelines
- ▶ Drafting of Investment Policy, Annual Investment Plan, and Guideline Statements
- ▶ Public and Private Real Estate and Real Assets Due Diligence Reviews
- ▶ Investment Manager Search and Selection
- ▶ Quarterly Performance Analysis and On-Going Investment Performance Oversight
- ▶ Client Education on Pertinent Real Estate and Real Assets Topics
- ▶ Special Project and Fraud Investigation Work



Investment Due Diligence Process

Step 1 – Initial Data Collection

- ▶ Identify investment opportunity through RVK origination or manager contacting RVK
- ▶ Review of marketing materials (e.g., pitch book, PPM, LPA)
- ▶ Complete RVK’s online database survey, “RADAR”

Step 2 – Initial Due Diligence Meeting

- ▶ Call Sara Bruner, Data Coordinator at the RVK Real Estate Consulting Group, to request an initial due diligence meeting, at (312) 445-3100
- ▶ Managers will attend an initial due diligence meeting with RVK consultants
 - ▶ Topics of discussion include firm overview, investment strategy, and applicable track record

Step 3 – RVK Decision to Proceed With Further Due Diligence

- ▶ Criteria used to decide whether to proceed with further due diligence include demonstrated manager edge, viability of investment strategy, and potential client demand

Step 4 – Additional Data Collection

- ▶ If RVK proceeds with further due diligence, we request additional documentation such as:
 - ▶ Detailed track record data
 - ▶ Current deal pipeline



Investment Due Diligence Process

Step 5 – Onsite Due Diligence Meeting

- ▶ Possible due diligence items include:
 - ▶ Interviews with key acquisitions and asset management personnel
 - ▶ Firm structure, such as junior level staffing, compensation, and back office functioning
 - ▶ Discussion of questions raised in track record reviews, including focus on realized and unrealized deals, best and worst deals, and lessons learned

Step 6 – Focus on Potential Problem Item and Start Initial Negotiations

- ▶ Continued due diligence on potential problem items
- ▶ Negotiate outstanding business items and legal issues

Step 7 – Confirmatory Due Diligence

- ▶ Complete due diligence and conduct confirmatory due diligence (e.g., reference checks, background investigations on key personnel)

Step 8 – RVK Approval and Presentation to Clients

- ▶ After completion of due diligence and negotiations, RVK decides whether to approve the investment opportunity
- ▶ If approved, RVK presents the opportunity to clients for potential investment