Request for Proposal
Selection of Europe Core and Core Plus Private Real Estate Funds

on behalf of

January 2019
Introduction

This RFP is issued by the Sangha Tri-National Trust Fund (Fondation pour le Tri-National de la Sangha), referred to henceforth as “FTNS” or “The Foundation”. Perennium SA is the Financial Advisor to the Foundation.

The FTNS
The Sangha Tri-National Trust Fund Limited (aka FTNS) is a Conservation Trust Fund which was established under UK Companies Act as a mechanism to provide long-term financial support to a transboundary forest complex called Sangha Tri-National (Tri-national de la Sangha - TNS). The TNS is located in the northwestern Congolian Lowland Forest ecoregion and covers a total surface area of some 28'000 km², including the three contiguous National Parks of Lobéke (2’100 km²) in Cameroon, Dzanga-Ndoki (1’220 km²) in the Central African Republic and Nouabale-Ndoki (4’000 km²) in Congo, and their buffer zones. The entire TNS landscape was recognised as a World Heritage Site in 2012.

The FTNS was officially registered as Company N° 6193079 on March 29, 2007 and as Charity 1123276 on March 20, 2008 by the Charity Commission for England and Wales. It has a mixed Board of Directors with a majority of representatives from the private sector. The first seven Members were appointed by each of the following founder organizations: Government of the Republic of Cameroon, Government of the Central African Republic, Government of the Republic of Congo, WCS, WWF, Regenwald Stiftung (“Rainforest Foundation”), Kreditanstalt für Wiederaufbau (German Bank for Reconstruction “KfW”). Agence Française de Développement (French Development Agency “AFD”) is also appointing a Member of the Board since June 2008. Three nongovernmental Board Members from the TNS countries, who have widely recognized expertise in either biodiversity conservation, law, business, non-profit grant management or fundraising were also selected to join the Board. The Executive Director is responsible for the implementation of the Board’s decisions, and daily management and the Executive Office is currently established in Yaoundé, Cameroon, following a Board’s decision.

The FTNS has currently received endowment commitments for a total amount of €48.6 million. It will invest those funds to generate income to support nature conservation activities in the region.
For more information, please visit http://www.fondationtns.org/

Perennium
Perennium SA is a Swiss financial advisory firm dedicated to the non-profit world (foundations, endowments...), providing a full service from investment strategy to portfolio management implementation and oversight.
Selection of a Private Real Estate Manager - Overview

Key features of the mandate
FTNS is seeking to allocate EUR 11 – EUR 12m to Core and Core Plus funds (collective vehicles investing in direct property / real estate). The target ratio is 1/3 for Core and 2/3 for Core Plus. Geographic exposure is Europe and reference currency is EUR. FTNS is looking for a strategy targeting a net of fee weighted return of 6%.

The proposed strategy should be diversified by sector, so sector specific strategies will not be considered. Preference will be given to strategies with underweight in ‘retail’ and overweight in ‘logistics/industrial’.

There is a desire for a manager taking into account ESG criteria.

Queries
All queries must be submitted by email to RFP@perennium.com with copy to fourmanne@afd.fr. Answers will be provided by email. All relevant answers will be communicated to known contestants.

Responses and timelines
Investment managers should submit their response to the RfP by e-mail addressed to secretariatftns@fondationtns.org and RFP@perennium.com, with copy to fourmanne@afd.fr, before 5pm CET on February 15th, 2019. The Foundation will acknowledge reception through a response e-mail.

Process
There will be no formal interview process, but investment managers may be called for additional information or clarifications. The Investment Committee of FTNS will make a recommendation in April and a Board Meeting scheduled to take place mid-May will formally decide.

Validity
Your proposal, and in particular your fees, must be valid for acceptance for 120 days from the due date for responses to this RfP.
Selection of a Private Real Estate Manager - Questionnaire

Please kindly answer the questions with detailed information and descriptions rather than standard responses. We greatly appreciate your interest in working with us and look forward to reviewing your proposal.

Contact details
1- Please provide the contact details of the people who are responsible for this RfP.
2- Who would be responsible for managing this relationship? Identify which office / branch would be the primary interface with us.

Organization
3- Please provide a brief description of your firm and its core business.
4- Please describe the ownership structure.
5- How long has your firm managed strategies such as those described in this RfP?
6- Please indicate the total AuM of your firm over the past 5 years (end 2014 to end 2018).
7- Please indicate the AuM of your firm in strategies such as those described in this RfP over the past 5 years (end 2014 to end 2018).

Investment Strategy
8- Please detail the Funds you would suggest (name, identifier, key terms, legal domicile etc) and their respective weight.
9- For close ended funds, please specify the calendar of closings (past and future, amounts committed or targeted).
10- Please detail the proposed Funds’ investment strategy and target IRR (state both gross and net of fees).
11- Outline the Funds’ investment guidelines and restrictions.
12- Describe the Fund Manager’s philosophy to ensure appropriate oversight control of the investments (i.e. reliance on co-investors, requirements for board seats, minimum negotiated terms required on all investments etc).
13- Please describe liquidity details of the Funds – hard lock up, notice period required to disinvest, fees to enter/exit and if there is queue to invest.
14- Please detail approximately how long it would take for a €11.5m commitment to be deployed.
15- Is the Fund Manager proposing to apply maximum or target portfolio investments leverage guidelines? What is your target and maximum permitted leverage on the fund and individual asset level?
16- Who are your competitors? List those investors (fund managers or direct investors) you competed against on individual transactions during your prior real estate investments for similar strategies as the one intended here. What are your competitive advantages?
17- Discuss your deal sourcing capabilities. How many investments do you see on average per year? What proportion of these deals are ‘off’ versus ‘on’ market?
18- How do the Funds manage the currency exposure to non-EUR assets? (method, instrument, frequency, cost)?
19- ESG is about to become an important consideration for FTNS, so please explain how you integrate ESG factors in your investment process.

**Management team**

20- Please provide a current organizational chart depicting the investment professionals involved in managing the relevant real estate Funds, as well as a chart showing the Fund Manager’s overall organizational structure.
21- Who will be the lead Portfolio Manager(s) responsible for this mandate?
22- Provide the names, titles, age, length of time with the firm and total years of relevant experience for Key Investment Professionals associated with the Funds.

**Fees**

23- Please provide a fee schedule for this offering.
24- Please provide details on additional fees that the client would be expected to pay.

**Additional information (for each Fund)**

- Summary of Terms: provide a detailed Term Sheet.
- Offering Memorandum: provide an electronic copy of the Fund placement memorandum.
- Performance Track record: provide the quarterly returns of the Funds (XLS format), if possible along with property types and geographic exposures.
- Resumés of Key Principals: provide complete CV of the key principals/employees of the Fund Manager.