

D.C. Retirement Board
Responses to Real Assets Consulting RFP Inquiries
February 3, 2011

1. *What is the role of the real assets allocation in the overall D.C. Retirement Board investment portfolio?*

The real assets portfolio is expected to dampen the overall portfolio's year-to-year volatility and, in the long-term, to provide protection against unanticipated increases in inflation.

2. *What is the current benchmark for real assets?*

The current benchmark for the Real Estate portfolio is weighted as follows: 80% NCREIF ODCE Index and 20% Wilshire Real Estate Securities Index. The current benchmark for the Infrastructure portfolio is the CPI-U + 500%. We would expect the real assets consultant selected under this RFP to advise on the appropriateness of the current benchmarks and to propose modifications as needed.

3. *What sub-asset classes or strategies will be under the scope of the real assets consultant?*

Currently, the sub-asset classes under the scope of the real assets consultant include Public and Private Real Estate and Private Infrastructure.

4. *Will any of the sub-asset classes be covered by any of DCRB's other consultants?*

No.

5. *How frequently does DCRB's Investment Committee meet and what are the expectations in terms of attendance by the real assets consultant at meetings?*

The Investment Committee currently meets approx. 10-11 times a year. The real assets investment consultant would be expected to participate on a semi-annual schedule, although more frequent meeting participation may be necessary and useful in the first year of the relationship.

6. *How many meetings would the consultant be expected to attend?*

See response to question #5 above.

7. *Do you expect the allocation to real assets to be modified?*

We expect the Board to approve a new asset allocation in the next couple of months, but don't expect any major changes to the real assets sub-asset class targets.

8. Approximately how many investments would you expect to make each year in the real asset category, for real estate and infrastructure?

Real Estate: During the next two to three years, we would expect to make 0-3 new commitments to private real estate and 0-1 new commitments to infrastructure funds per year. Once the legacy investments enter the harvesting period (2013-2016), we would expect the number of annual commitments to increase moderately.

9. What fees are currently paid to the consultants on the real asset categories?

Due to the terms of our existing agreement with The Townsend Group, we are unable to disclose the level of fees.