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San Bernardino County Employees' Retirement Association

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Real Estate Investment Objectives, Policies and Procedures

POLICY NO. 020

The San Bernardino County Employees' Retirement Association ("the Association" or "SBCERA") includes real estate investments in the total Plan portfolio as a means to seek, over the long term, enhanced risk/return characteristics for the Association's investment portfolio.

This document establishes the specific objectives, policies and procedures involved in the implementation and oversight of the Association's real estate program.

- The Investment **Objectives** define the role of and allocation to real estate in the broader portfolio and the resulting return expectations for the program.
- The Investment **Policies** state the limitations within which SBCERA will adhere when investing the real estate allocation.
- The Investment **Procedures** provide guidelines for the implementation of the asset class and the control and monitoring of the program.

I. INVESTMENT OBJECTIVES

As with all asset classes, Real Estate is intended to provide specific benefits to the Plan's trust fund, e.g., risk adjusted returns, diversification and potential for a hedge against inflation. A clear statement of these primary objectives is a key to the measurement of the real estate program success.

A. The Role of Real Estate

The role of the asset class is to:

- Generate a long term, net return in contributing to the Total Plan actuarial needs
- Provide stable income distributions from seasoned investments
- Provide low correlations to traditional asset classes
- Provide a hedge against inflation when market dynamics allow

B. Asset Allocation

SBCERA's asset allocation is governed by its Investment Plan, Policy and Guidelines (Policy 001), and is subject to review and revision annually by the Board. It is the intention of the Board to allow for under and overweighting of the real estate portfolio within the approved range based on market conditions.

C. Performance Objectives

The performance objective of the Association's real estate portfolio is to produce a total return net of fees that meets or exceeds the expected returns over a 10 to 15 year horizon. SBCERA has approved a net return expectation of seven percent (7%) for the real estate asset class. Returns are expected to result from any one or more of the following active management strategies.

1. Actively managing those assets providing stabilized returns from cash flow in order to maintain cash flow levels over the duration of the hold period.
2. Assume life cycle or market risk to actively create/restore value for realization or stabilized hold.
3. Tactically allocate to strategies favored by market dynamics during isolated periods of time.
4. Selection of high conviction managers and strategies with above median performance expectations.

II. INVESTMENT POLICIES

The Association has established policies to ensure the preservation of capital and the generation of returns commensurate with the overall risks assumed within the portfolio. The following are policies with which SBCERA will comply when managing the real estate portfolio.

A. Portfolio Composition

The Association divides the real estate into two sub-portfolios: (1) Core and (2) Non-Core. Each sub-portfolio is defined by its respective market risk/return characteristics and all are broadly defined in Exhibit A to this document.

B. Performance Indices

Analysis of performance in excess, or short of, the seven percent (7%) net return objective will be completed through the use of similarly risked pools of investment capital available through standard industry sources. All comparisons will be made on a rolling five year basis as well as other appropriate time periods and will utilize net of fee returns and indices.

Private Portfolios -

The entire Real Estate Portfolio will be compared to the National Council of Real Estate Investment Fiduciaries ("NCREIF") Property Index (NPI) -

Public Portfolio-

The Public Portfolio will be compared to the FTSE EPRA/NAREIT Developed Real Estate Index in USD. The Index is published and available to investors and managers for performance evaluation.

C. Risk Management

Risk Management begins with an understanding of the risks associated with each individual investment and the aggregate risk of the portfolio. In real estate, investments can be grouped and broadly defined with respect to long term risk/return expectations while short term expectations from each group will vary from market cycle to market cycle.

The SBCERA real estate portfolio composition will vary from year to year based on the going forward

Exhibit A: Page 3

expectations for the market opportunities and the minimal risk necessary to achieve the net return objective. In order to achieve the return objective, while minimizing total portfolio risk, the long-term portfolio composition constraints will be as follows:

Component	Minimum/Maximum	
Core - Private	Minimum	50%
Core - Public Securities	Maximum	20%
Non-Core - Private	Minimum	30%

Composition during a market cycle may differ from the long-term constraints.

Beyond portfolio composition, additional risks exist during the implementation and investment stages. The Association will mitigate risk in a prudent manner in order to protect capital and generate returns commensurate with risks. While the program allows for 'best in class investment practices', some options will be favored over others based on current portfolio and Association needs. The following identifies how the most significant risks with respect to real estate investing are controlled or mitigated.

1. *Procedural Risk*

Attached as Exhibit B are the Defined Roles of Participants established to facilitate implementation of the program.

2. *Investment Holding Vehicle Risk*

The Association recognizes that, regardless of investment structure, real estate is an illiquid asset class. Vehicles that maximize investor control of the investment mandate are preferred however the degree of control will be balanced with need to achieve appropriate risk/return performance results. As such, the Association will allow for investment through a number of vehicle structures.

a. *Individually Managed Accounts (IMA)*

IMA's provide access to wholly owned/controlled assets providing optimal investment mandate controls and oversight for SBCERA. The use of the IMA structure will be limited to Core assets and utilized only when prudent diversification against systemic risk can be exercised and long term hold positions are expected at the asset level. IMA Manager(s) will assume an appropriate level of discretion, balanced by control and monitoring procedures established by the Board, Staff and Consultant.

b. *Commingled Funds/Club Investments*

Commingled Funds/Club Investments are structured to give a high level of discretion to the Manager. SBCERA may access Core strategies through investment through large, infinite life (Open-end) existing pools of assets providing diversification and potential liquidity for tactical investments. Additional tactical investments may be made through allocations to specific managers and strategies accessing market opportunities in a finite life (Closed-end) vehicle. Closed-end vehicles are most often used in the Non-core risk sectors. Both Commingled Funds and Club Investments pool multiple investor capital sources; Clubs limit the number of investors to generally less than five. Regardless of the risk profile, preference will be given to commingled vehicles with reasonable investor control and market competitive fees. Any legally permissible vehicle will be allowed including, but not limited to, joint ventures, limited partnerships, real estate investment trusts and limited liability corporations.

c. Co-Investment

Co-investments could be presented in a variety of structures depending on the source of the co-investment asset. Preference will be given to those co-investments extending the greatest level of control to the co-investment position/partnership. Most Co-investments will be side-by-side with Commingled Funds in which SBCERA is already an investor and control may be relinquished to the manager consistent with the initial investment.

3. *Diversification Risk*

SBCERA will seek to diversify its real estate program so as to mitigate the major risks associated with the allocation of capital into the real estate asset class.

a. Manager

Manager diversification will be managed through the use of multiple managers within risk/return sub-portfolios of Core and Non-Core strategies.

b. Vehicle/Strategy

The Association may diversify the risk associated with a single strategy through the selection of multiple investment mandates. At the time of investment, no single allocation will be more than thirty percent (30%) of the target real estate portfolio to ensure that any possible under performance of one mandate will not unduly impact the total portfolio. The Association will also optimize control by ensuring that no single investor (other than the Association) in a commingled investment has a 'controlling vote' by virtue of its' pro rata investment.

c. Property Type and Location

The Association will also diversify its exposure by property type and location. It is expected that at various points in time, the portfolio will be over/underweighted to a single property type or location by virtue of the prospects for relative returns.

With the maturation of the real estate asset class, investments have become global in nature. The Association will seek optimal risk adjusted returns within the context of opportunities located both domestically and internationally.

d. Investment Size

There is no maximum investment size for equity real estate investments, however, at no time shall the net investment value of a single property within an IMA account or a single Commingled Fund/ Club/Co-investment, exceed ten percent (10%) of the net investment value of the total targeted real estate portfolio.

4. *Leverage Risk*

The use of leverage in the real estate portfolio can provide benefits in the form of increased diversification and enhanced returns. Leverage will also increase the gross asset exposure of the real estate allocation and amplify the impact of valuation changes on total return. The Association will use leverage limits in order to manage the downside of leverage (volatility) without excluding the benefits (diversification, alpha). The availability and cost of leverage will be factors considered in determining its use. Limits are established for each investment style based on the risk/return profile of the underlying investments. Non-

recourse term financing is SBCERA's preferred approach to using leverage; recourse debt is SBCERA's least preferred approach to using leverage. Managers using recourse debt must specifically disclose terms and conditions of any recourse debt.

a. Core Equity- 50% Portfolio Leverage Limit

Core assets generally provide an established stream of income. Because of the predictability of the income stream, third-party debt can be used at relatively low risk to enhance return. For Core real estate equity investments, the Association will adhere to a fifty percent (50%) leverage limit. Core assets may also include debt investments which have a contractual stream of income through loan payments and can provide a hedge against property value declines in falling markets where equity value is impaired prior to impacting par value. As such, debt investments can provide similar attributes to Core equity assets given its steady income stream and defensive position during falling markets.

For any single Core asset managed through an individually managed account, or Co-investment, third-party debt will be limited to fifty percent (55%) of the market value of the asset, must provide positive debt-service coverage and must be non-recourse, unless approved by the Board. All asset specific debt must demonstrate that leveraged IRR projections provide a return premium over the unleveraged IRR equal to three basis points (3 bps) of return for each one percent (1%) of leverage.

b. Non-Core

Investments classified as non-core utilize third-party debt as an integral part of their total return strategy. Such investments will be made through Commingled Funds/Club/Co-investment and will therefore have a specified leverage target or maximum stated in the offering documents. Debt levels and structures will be evaluated when reviewing a specific offering and presented to the Investment Committee.

5. *Operational Risk*

SBCERA engages a third-party CPA firm to conduct an operational review. See Due Diligence Policy #007.

III. INVESTMENT PROCEDURES

The Association will always act to protect capital and generate returns commensurate with risk. The following identifies how the most significant risks with respect to real estate implementation will be mitigated and monitored.

A. Annual Investment Plan

Each year the Staff and Consultant will provide the Investment Committee with a proposed Annual Investment Plan (AIP) for approval and subsequent implementation. The AIP will include the following:

1. *Portfolio Review*

Provide a review of the current portfolio relative to approved Objectives, Policies and Procedures and the recommendations approved in the prior year's AIP.

2. *Strategic Perspective*

Provide a review of the SBCERA program in the context of the then current market including recommended changes to Objectives, Policy and Procedures for improving performance both near and long term.

3. *Market Opportunities*

Provide a review of the optimal market opportunities available based on program needs and objectives.

4. *Capital Pacing*

Provide an analysis of the portfolio growth and projected activity to determine an appropriate recommendation for annual capital allocations in the ensuing year.

B. Individually Managed Accounts (IMA)

When utilized, IMA Managers will have discretionary authority over the selection of specific investments. However, certain controls will be maintained to ensure compliance with approved Objectives, Policies and Procedures. The following procedures will be utilized for selection of IMA Managers, as well as for investment and the subsequent control and monitoring of IMA allocations.

1. IMA Manager Selection Process

- a. Consultant shall screen its database to identify Manager Candidates exhibiting qualities consistent with Staff and Consultant qualification criteria. Staff may identify additional candidates.
- b. Staff and Consultant shall interview, through formal presentations and/or site-visits (when deemed appropriate), the highest-ranking Managers.
- c. Staff and Consultant, shall present a report to the Investment Committee, which explains the ranking procedure and reviews the findings and recommendation for manager(s) selection.
- d. Staff, with the assistance of Consultant, shall coordinate final presentations as necessary.
- e. Investment Committee shall recommend a Manager for Board approval based on review and evaluation of information presented in the steps noted above.
- f. Staff and Consultant will negotiate and close manager investment agreements, including final fee structures.

2. *IMA Investment Procedures*

a. Manager Investment Plan

Each IMA Manager shall prepare an annual Manager Investment Plan, which sets forth the investment criteria for said Manager's allocation including the reinvestment of proceeds from sales or refinancing. The investment criteria shall be consistent with the mandate assigned to the manager and comply with all parameters of this document. Investment Plans will also set forth the IMA Manager's evaluation of current market opportunities and include a summary of the Annual Hold/Sell Review of each asset in the context of the market evaluation.

b. Preliminary Investment Package

Prior to making an investment, the Manager shall provide a Preliminary Investment Memorandum to Staff and Consultant. The preliminary package shall include an analysis of the investment relative to

the currently approved Manager Investment Plan and SBCERA documentation. The Package will include a projected hold/sell analysis for the proposed asset as well as a financial summary including cash flow projections, five year cash on cash return projections, no less than a five year lease expiration schedule, a list of major tenants and a metropolitan market overview.

c. Funding Procedures

The Manager and Staff will work together to prepare written funding procedures for each IMA, which are compatible with the systems of the particular Manager as well as with SBCERA's systems. All procedures will enable timely and accurate reporting and control of cash flows. The Manager shall provide the Staff and Consultant with a 'critical date list' for each acquisition.

3. *IMA Control and Monitoring*

a. Budget and Management Plan

Each IMA Manager shall submit a Budget and Management Plan (in form, timing and substance consistent with Staff and Consultant requests) for the upcoming year for each direct investment and the aggregate IMA.

Staff and Consultant will meet with the Manager personnel directly responsible for portfolio and asset management for a review and evaluation of the reasonableness of the submitted Budget and Management Plan. During the ensuing year, the Manager shall notify the Association in writing within a reasonable time of the occurrence of any significant event (i.e. a variance greater than 15% on budgeted NOI projections) relating to an investment that was not projected in the submitted Budget and Management Plan.

b. IMA Valuations

All investments will be valued in accordance with Global Investment Performance Standards ("GIPS") as created and administered by the CFA Institute.

C. Commingled Funds/Club Investments

The following procedures will be utilized in the selection, closing and monitoring of specific Commingled Fund/Club investments. Note that Commingled Fund/Club investments contemplated by existing mandates previously approved by the Board may be executed pursuant to the terms of such prior approval.

1. *Commingled Fund/Club Selection Process*

- a. Staff and Consultant will regularly evaluate the universe of investment opportunities targeting new investment selection within the Annual Investment Strategy (AIP).
- b. Staff and Consultant will conduct due diligence on any targeted Fund/Club to determine whether the offering meets approved AIP objectives. Staff and/or Consultant, shall recommend offering(s) to the Investment Committee for approval by the Board.
- c. Upon approval, the Staff will negotiate with selected Fund(s)/Club(s) on behalf of the Association in order to improve, where possible, the final terms of the investment.
- d. Final due diligence by Staff and legal counsel will include review of the commingled fund's formation and associated legal documents. Any significant issues uncovered in this phase will be brought to the attention of the Board prior to closing.

2. *Commingled Fund/Club Investment Control and Monitoring*

Commingled Fund and Club Investments will be monitored quarterly by Staff and Consultant to evaluate investment performance and to ensure compliance with vehicle documents.

D. Co-Investments

Co-Investments may allow the Association to over/under weight specific property types, strategies and/or managers. The following procedures will be utilized in the selection, review and monitoring of Co-investment opportunities. Note that Co-Investments contemplated by existing mandates previously approved by the Board may be executed pursuant to the terms of such prior approval.

1. *Co-Investment Selection Process*

Co-investment opportunities may be sourced through existing Commingled Fund positions or through managers/funds offering co-investment positions to external capital sources. Co-investment opportunities are most often presented with limited windows for analysis. As such, the process for investment is intended to improve the ability of SBCERA to participate in such investments prudently.

- a. For properties sourced through existing Commingled Funds:
 - i. Consultant shall ensure that the co-investment is appropriate for additional investment, providing an opinion of prudence addressing the following:
 - Selected properties are consistent with Board approved AIP.
 - Recommended cost/valuation is supported by appropriate market and property analysis.
 - Potential conflicts are mitigated through partnership documentation as designed by Legal Counsel.
 - Additional investment will comply with the approved Objectives, Policies and Procedures with respect to targeted return objectives and manager, property type or strategy exposure.
 - ii. Staff will retain discretion to allocate up to \$35 million toward any co-investment.
 - iii. Co-investments greater than \$35 million are subject to the above process and Investment Committee recommendation for Board approval.
- b. For properties sourced through managers/vehicles in which SBCERA is not an investor
 - i. Staff and Consultant shall complete both organizational and strategy due diligence in compliance with the approved Commingled Fund/Club Investment procedures.
 - ii. Consultant shall ensure that the co-investment is appropriate for investment and provide an opinion of prudence addressing the following:
 - Selected properties are consistent with Board approved AIP.
 - Recommended cost/valuation is supported by appropriate market and property analysis.
 - Potential conflicts are mitigated through partnership documentation as designed by Legal Counsel.
 - Additional investment will comply with the approved Objectives, Policies and Procedures with respect to targeted return objectives and manager, property type or strategy exposure.
 - iii. Staff and/or Consultant shall recommend Investment Committee approval of the holding vehicle

with commingled fund/co-investment procedures. Approval for the co-investment allocation will also require Board approval based on the appropriate portfolio impact and compliance with the approved AIP.

2. *Co-Investment Control and Monitoring*

Co-Investments are similar in structure to an IMA account but are generally held within commingled funds. As such, Co-investments will utilize the same control and monitoring systems as detailed in the commingled fund procedures approved in this document.

E. Secondary Market Purchases

Secondary units can be purchased from existing fund or club investors looking to gain liquidity prior to the full term of the partnership. Secondary purchases provide numerous benefits such as:

- Access to an existing pool of assets rather than a blind pool allocation
- Shorter investment horizon for capital allocation from near term liquidations
- Ability to strategically and tactically manage portfolio diversification
- Potential for discounts to current carrying value and/or market value

Transactions are limited within the real estate asset class. Investors with in-place policies and procedures are capable of taking advantage of the intermittent opportunities in a quick and efficient manner. Note that Secondary Investments contemplated by existing mandates previously approved by the Board may be executed pursuant to the terms of such prior approval.

1. *Secondary Unit Purchase Process*

Secondary offerings will be subject to Staff and Consultant concurrence that the purchase is appropriate for investment and provide an opinion of prudence addressing the following:

- Additional allocation is consistent with Board approved AIP.
- Recommended cost/valuation is supported by appropriate market and property analysis.
- Potential conflicts are mitigated through partnership documentation as designed by Legal Counsel.
- Additional investment will comply with the approved Objectives, Policies and Procedures with respect to targeted return objectives and manager, property type or strategy exposure when evaluated in combination with the existing Fund/Club position

2. *Secondary Unit Control and Monitoring*

Units purchased on the secondary market will be monitored within the existing fund/club investment and utilize the same control and monitoring systems as detailed in the commingled fund procedures approved in this document.

IV. Performance Measurement And Analysis

On a quarterly basis, the Consultant will prepare a comprehensive report addressing each investment and Manager. The Consultant shall prepare and forward to the System a Performance Measurement Report within ninety (90) days following the last day of each quarter or within five working days of complete and accurate submission of all manager data.

Exhibit A

Portfolio Component Definitions

Core Investments

Core investments include equity or debt in existing, substantially leased income-producing properties located principally in metropolitan areas that exhibit reasonable economic diversification. Core properties typically exhibit the following characteristics:

- Predictable income flows with a high proportion of anticipated total return arising from current income and cash flow;
- At least 80% leased upon purchase of the asset;
- Located in an economically diversified metropolitan area;
- Quality construction and design features;
- Reasonable assurance of a broad pool of potential purchasers upon disposition;
- Properties requiring quality asset and portfolio management but not requiring specialized operating expertise which is not readily available in the market; and,
- Investment structures using all cash or conforming within debt policy limits.

Public real estate securities (e.g. Real Estate Investment Trusts or REITs) will be considered part of the Core component of the SBCERA's portfolio. Public real estate securities are publicly traded companies that manage a portfolio of real estate based investments in order to produce income and capital appreciation for investors.

Non-Core Investments

Non-Core investments include equity or debt in those properties and/or investment strategies that require specialized acquisition and management expertise or skill to mitigate the business and leasing risk associated with an individual investment. Non-Core investments may have greater volatility compared to Core investments. Non-Core investments may exhibit one or more of the following characteristics:

- Properties located in secondary and tertiary markets, which are not economically diversified and may have accompanying susceptibility to imbalances of demand and supply;
- Property types which require specialized management skills focusing primarily on operating business expertise rather than pure real estate portfolio management expertise;
- Properties which are considered to be in "work out" mode;
- Properties involving significant repositioning through lease-up, development and/or re-development risks;
- Financing or investment structures that impact cash flows and/or are not breaking even at acquisition; and
- Investment structures using leverage as an integral part of the total return strategy.

Non Core Investments

Non Core real estate is characterized as properties that take on moderate additional risk from one or more of the following sources – leasing, redevelopment, repositioning, the use of moderate leverage and specialized property.

Other Non Core real estate takes on greater risk in order to achieve a higher level of return. High Return investments include a variety of strategies such as development or major redevelopment of office, retail, industrial, multifamily or specialized property types (e.g. hotels, senior housing, self-storage, data centers, etc.). Additionally, High Return investments could include land investing, operating company investing,

distressed debt/properties, highly leveraged properties and other specialized investments.

Exhibit B

Defined Roles of Participants

The real estate program shall be planned, implemented, and monitored through the coordinated efforts of the Board, Staff, Real Estate Consultant ("Consultant") and Investment Managers ("Manager" or "Managers"). Set forth below is the delegation of the major responsibilities of each participant.

Duties of the Board

- Establishes the role of the real estate investment program in light of the total portfolio objectives.
- Approves the allocation to real estate and approves any adjustments to the allocation which may from time to time be necessary.
- Approves the Objectives, Policies and Procedures and the Annual Investment Strategy for the real estate program.
- Approves Investment Committee recommendations for selection, retention and removal of Managers and investments.
- Reviews the real estate portfolio to evaluate the investment performance and to ensure compliance with controlling documents

Duties of the Investment Committee

- Recommends approval of policies and procedures as developed through Staff and Consultant.
- Recommends approval of investment allocations as developed through Staff and Consultant.
- Makes recommendations to the Board for program actions needed to achieve Board approved objectives.

Duties of the Staff

- Establishes program guidelines for and executes the real estate investment program.
- Reports to the Investment Committee and the Board on matters of policy.
- Oversees Consultant's preparation of the Annual Investment Strategy.
- Participates in the Annual Budget and Management Plan review and approval process.
- Brings any non-conforming items or significant issues to the attention of the Board.
- Documents and monitors funding procedures.
- Completes other activity as directed by the Investment Committee and/or Board.
- Ensures manager reviews a copy of the Placement Agent Policy, as approved by the Retirement Board and that the manager has timely completed all required forms.

Individually Managed Account ("IMA") Duties of Staff:

- Conducts searches for professional services and investment managers and, with the assistance of the Consultant, recommends the selection to the Board for approval.
- Reviews Annual Manager Investment Plans.
- Reviews the Budget and Management Plans prepared by IMA Managers.
- Reviews Preliminary Investment Packages submitted by IMA Managers.
- Reviews fees (as reviewed and approved by Consultant) for compliance and insures that Incentive Fees are processed appropriately.
- Reviews annual audit, managers' valuations, and third-party appraisal reports.

- Performs other duties required to execute the IMA Investment Procedures, as more fully described in this document.
- Coordinates efforts of Consultant, Legal Counsel and CPA/Appraisal firms during the review process for Co-Investment opportunities.
- Monitors the closing process.

Commingled Fund/Co-investment Duties of Staff:

- Conducts screening, review, and selection for recommendation of Commingled Fund offerings.
- Oversees the commitment process, and with legal counsel, reviews and executes any required documentation.
- Pending Consultant review is authorized to approval co-investments of \$25 million or less.

Duties of the Consultant

- Reports directly to the Investment Committee, Board and Staff on matters of policy.
- Brings any non-conforming items or significant issues to the attention of the Association on no less than a semi-annual basis.
- Monitors the performance of the real estate portfolio and compliance with Board approved policy.
- Prepares the Annual Investment Strategy and recommends the Allocation Plan to the Board for approval.
- Prepares the Quarterly Performance Report to evaluate investment performance and to ensure compliance with policy guidelines and approved Investment Plan.
- Presents Performance Report to the Investment Committee and/or Board as requested.
- Reviews all proposed fees to determine appropriateness relative to industry standards and manager mandate.
- Provides the Association with research and education on real estate related subjects as requested.

Individually Managed Account Duties of Consultant:

- Assists Staff in conducting searches for investment managers and makes recommendations to the Investment Committee and Board.
- Oversees preparation of Annual Manager Investment Plans.
- Reviews the Budget and Management Plans prepared by IMA Managers.
- Reviews the methodology and accuracy of all Individually Managed Account incentive fees and recommends payment based on compliance with terms of appropriate Manager mandate.
- Performs other duties required to execute the IMA Investment Procedures as more fully described in this document.

Commingled Fund/Co-investment Duties of Consultant:

- Conducts analysis of Commingled Fund offerings in accordance with the Commingled Fund selection process in this document.
- Provides written analysis of Commingled Funds and Co-investment.
- Reviews proposed co-investment asset(s) to ensure compliance with approved Strategic Investment Plans.
- Evaluates disposition and unwind recommendations in light of market conditions and approved Strategic and Annual Investment plans.

Duties of the Manager

- Provides performance measurement data in form and substance as requested by the Retirement

Association and Real Estate Consultant.

Individually Managed Account Managers:

- Acquires, manages and disposes of assets on behalf of the Association.
- Adheres to the current reporting standards designated within the Manager contract.
- Prepares Manager Investment Plans to be submitted to the Staff and Consultant.
- Prepares Preliminary Investment Packages to be submitted to the Staff and Consultant.
- Prepares Budget and Management Plans to be submitted to the Staff and Consultant.
- Provides quarterly financial statements and annual audited reports.
- Meets with the Staff and Consultant for the Annual Real Estate Portfolio Review.
- Prepares an Annual Hold/Sell Review.

Commingled Fund /Co-Investment Managers:

- Adheres to the current reporting standards designated within the Manager contract.
- Executes and performs its duties under the terms of the investment vehicle documents.
- Provides timely requests for capital contributions.
- Provides quarterly financial statements and annual reports.
- Conducts annual meetings to discuss important developments regarding investment and management issues.
- Provides market valuations not less than annually.

Attachments

No Attachments

Approval Signatures

Step Description	Approver	Date
Chief Counsel Review	Barbara Hannah: Chief Counsel	pending
Investment Services Review	Donald Pierce: Chief Investment Officer	5/6/2024
Investment Services Review	Eydie Cox: Sr Investment Analyst	5/2/2024

Applicability

SBCERA, SBCERA Internal

