



to allow sufficient flexibility to allocate capital to the most attractive opportunities based on market conditions and available manager opportunities. SBCERA's policy requires that the real estate portfolio be managed to a long-term composition of at least 50% private core (which includes real estate debt), at least 30% private non-core, and no more than 20% public core real estate investments.

The proposed real estate pacing plan will be implemented primarily through investments in both open-end and closed-end funds, and potentially co-investments alongside such funds. Preference will be given to existing manager relationships in which staff and NEPC have a high level of confidence including, where possible, strategic long-term partnerships established by SBCERA utilizing the MCA structure. The benefits of these structures include favorable economic terms, greater transparency, and enhanced information flows between SBCERA and its investment managers.

At this time anticipated 2020 commitments to real estate include the following:

<i>Manager</i>	<i>Relationship</i>	<i>Opportunity</i>
Partners Group	MCA	Possible Direct & Secondary Investments
Kayne Anderson	MCA	KA RE Partners VI KA RE Debt IV
Invesco RE	Existing Manager	Possible co-investments alongside Asia Core Fund

**COMMITTEE REVIEW:**

This item was reviewed by the Investment Committee at its January 14, 2020 meeting and recommends Board approval, with a 3-0 vote. Trustee Mason was absent from this portion of the meeting.

**BUDGET IMPACT:**

Investment Costs are deducted from Net Asset Value.

**STRATEGIC PLANNING GOAL/OBJECTIVE:**

Prudent Fiscal Management

**STAFF CONTACT:**

Don Pierce

**ATTACHMENTS:**

Exhibit A: NEPC Private Real Estate Strategic Investment Plan