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FACT SHEET

Real Estate Emerging Manager & Transition Manager Programs

EMERGING MANAGER PROGRAM

The Real Estate Emerging Manager Program utilizes the dedicated platform of an external advisor. The Real Estate Emerging Manager Program is managed by Canyon Partners Real Estate LLC who oversees the CalPERS Canyon Catalyst Fund. Canyon provides a dedicated platform focused on identifying, mentoring, and managing emerging managers on CalPERS behalf.

Emerging Manager Definition and Program Parameters:

- 1st, 2nd and 3rd institutional fund or separate account
- Joint venture structure with dedicated external advisor oversight and strong mentoring component
- \$50 - \$150 million programmatic capital allocations
- Maximum \$1 billion firm AUM

REAL ESTATE TRANSITION MANAGER PROGRAM DEFINITIONS

In June 2015, CalPERS Investment Office initiated a new industry-leading Transition Manager Program. The objective of the program is to provide a path of growth and opportunity for successful early stage managers who no longer fit the parameters of an emerging manager program. This program allows CalPERS to continue to invest in successful up-and-coming firms, including women and minority owned firms, that are transitioning from small entrepreneurial platforms to established asset management firms. After successful transition, the firm may qualify to compete for larger investment mandates from CalPERS. Investment Office staff will review potential transition candidates from CalPERS' Emerging Manager Programs, as well as outside managers who qualify under the guidelines of the Transition Manager Program.

Real Estate Transition Program Guidelines:

- 4th, 5th and 6th institutional fund or separate account
- Direct relationship overseen by CalPERS Investment Office staff
- \$50 - \$300 million capital allocations per manager/strategy
- Approximately five to 10 year timeframe for potential transition to occur to established manager status

Real Assets has guidelines for selecting all external managers known as the Manager Assessment Tool ("MAT"). The MAT is used to analyze and review all potential external managers utilizing the following distinct criteria:

Strategic Fit

Quadrant Fit

Geographic Fit

Product Type Fit

Structural Fit

INVESTMENT PROPOSAL SUBMISSION

After reviewing the Investment Proposal Submission portal webpage for a list of desired strategies, Real Estate managers are encouraged to submit their investment proposals, through the portal webpage. For more information and details on submissions, please visit: www.calpers.ca.gov/investmentproposals

ALTERNATIVE SOLICITATION PROCESS

CalPERS Investment Office has an Alternative Solicitation Process which may be used as the method of gathering information on services of potential managers. Real Estate will announce criteria and a bidders list prior to releasing any solicitation to managers. This process can range between 6 - 10 months or longer depending on the type of strategy and the number of submissions received.