

CalPERS Transition Manager Program Webinar
Questions and Answers
Targeted Investment Programs 2015

Private Equity

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. You may find more information on the [Private Equity Emerging & Transition Manager Fact Sheet](#) (PDF).

1. Will the allocations be staggered across fund numbers (i.e., one allocation to a Fund 3, one allocation to a Fund 4, etc.)?

No, the allocations will not be shared across fund numbers. Each fund will be judged on its own merits as per the criteria laid out in the manager assessment tool: historical performance, strategy and value creation, team/talent, asset allocation/portfolio fit, and alignment of interests/governance/transparency.

2. Are there any parameters around strategic diversification for the Transition Manager Program? (i.e., buyout, credit/Distressed Debt, venture capital)?

Yes, there are portfolio target allocations across the strategies, those being buyout, credit related, venture capital, growth/expansion, and opportunistic.

3. For the Transition Manager Program, is there are certain percentage breakdown expected for the split between reups to existing emerging managers versus new relationships?

No, there are no plans in place to divide commitments in this a way. Each fund will be judged on its own merits as per the criteria laid out in the manager assessment tool: historical performance, strategy and value creation, team/talent, asset allocation/portfolio fit, and alignment of interests/governance/transparency.

4. Do you have a certain track record requirement for your emerging managers?

This question would be best directed to our advisor, GCM Grosvenor. However, GCM's mandate is discretionary and whilst prior individual or collective track records probably play into their investment decisions, to what extent it does, most likely varies on a case-by-case basis.

5. Do you have a percentage of how many emerging managers have transitioned into your established external managers?

At his point in time one general partner has been transitioned into the CalPERS Private Equity portfolio out of the two Emerging Manager Funds managed by GCM since 2012.

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That would equate to 8 percent.

6. Will you be utilizing any advisers in the selection process for transitioning emerging managers?

There are no plans to utilize advisors in the selection process for transitioning emerging managers. The selection and due diligence will be conducted in-house by the Private Equity team.

7. Are there any particular strategies you're seeking for the Transition Manager Program that might vary from the emerging or established manager?

CalPERS Private Equity has a strategic allocation focus comprising buyouts, credit related, venture capital, growth/expansion, and opportunistic. Any manager being considered for the Transition Manager Program would need to be focused on one of these strategies.

8. When do you expect to start the selection process of transition managers?

The selection process for transition managers has been initiated. CalPERS Private Equity is now looking for potential transition managers.