



Investment Committee

Item Number 11 – Open Session

Subject: Selection of Real Estate Consultant

Presenter(s): Chairperson

Item Type: Consent Action

Date & Time: January 26, 2023 – 5 minutes

Attachment(s): Attachment 1 – Scope of work

Attachment 2 – Resolution

PowerPoint(s): None

Item Purpose

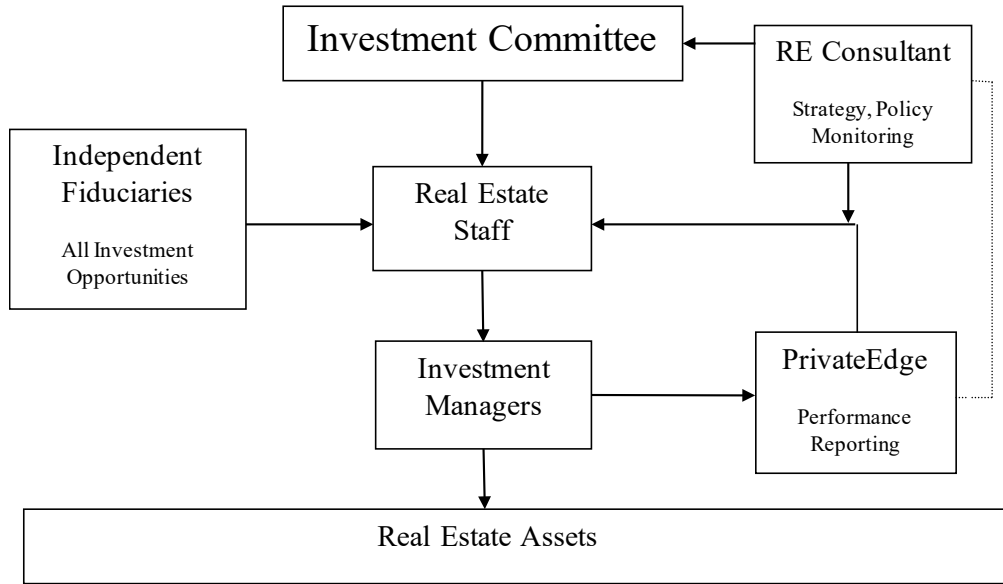
The current board policy is to retain a specialty consultant to assist the Investment Committee in the oversight of the Real Estate (RE) asset class. The current contract for these services with RCLCO Fund Advisors, LLC expires on January 14, 2023.

Recommendation

The Chair recommends the selection of the finalist and the Investment Committee approve the firm as the CalSTRS Real Estate consultant for the term of five year contract, subject to final negotiation of terms and fees.

Executive Summary

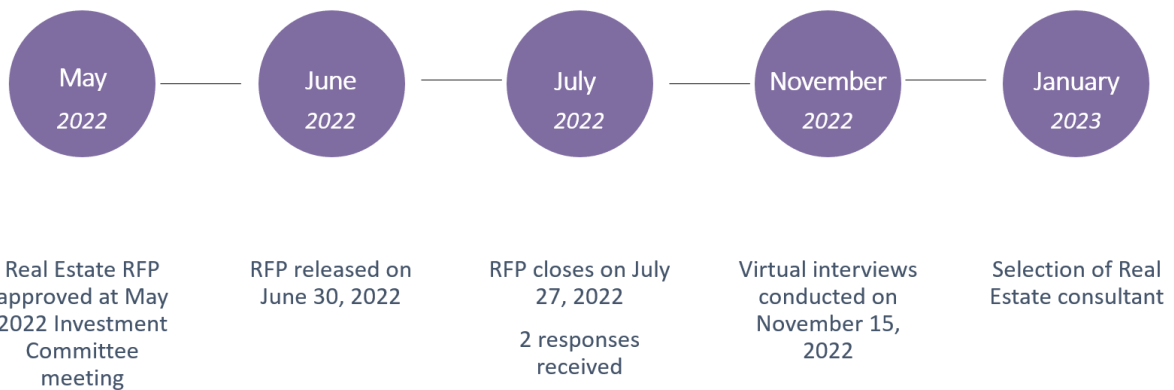
The role of the consultant is clearly defined as working **FOR** the Investment Committee as the contracting entity. Since the consultant must opine on all staff recommendations, the consultant must also work closely **WITH** the staff, while maintaining a level of independence. We even included the following graphic in the RFP to help the firms understand the relationship:



Background

At the May 2022 Investment Committee meeting, staff recommended that the Investment Committee approve the Real Estate Board Consultant Request for Proposal and Resolution authorizing the issuance of an RFP and select two Committee members to conduct the finalist interviews.

Real Estate Consultant Timeline



All the proposals passed the preliminary review for compliance with minimum qualifications and requirements and proceeded to the next steps. A committee consisting of CalSTRS investment staff reviewed the written proposals and interviews were conducted virtually.. The interviews were conducted by the Chair, Bill Prezant, Michael Gunning and staff. Procurement staff were also included in the meeting. One was selected and ranked as the top proposal and recommended

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to the Investment Committee for selection.

Strategic Plan Linkage: Goal 1, [CalSTRS 2022-25 Strategic Plan](#),

Board Policy Linkage: Investment Committee Charter [Teachers' Retirement Board Governance Manual \(calstrs.com\)](#)
