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Emerging Manager Monthly

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EMERGING MANAGER AWARDS

EMERGING MANAGER MONTHLY

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Emerging Manager Monthly

From The Editor

The term "emerging manager" has always been divisive. Throughout our more than 12 years covering the space, the phrase has served as a beacon of opportunity for many small, boutique and women- and minority-owned managers as institutional investors have looked to provide access to capital.

On the other hand, some have viewed the category as a detriment, believing that it pushes experienced, talented managers—particularly females and minorities—to the side as a "special project," as if they don't have the capabilities to manage a real allocation as part of a general portfolio.

Diversity and inclusion continues to push itself to the forefront across all aspects of society, and the institutional asset management space is no exception. Whether it be corporate boards, staff makeup or firm ownership, institutional investors are starting to not only ask questions but demand action.

The reason I bring this up is because we at EMM have grappled with the question of how to support emerging managers and diverse managers with assets under management levels that fall below those that the industry has constructed.

We've always attempted to be flexible with our coverage, understanding that one institution or consultant may have a different definition for what makes a firm more "emerging" than another.

This year, we decided to extend that to our Emerging Manager Awards. We believe there is room for both emerging and diverse managers in the space and adjusted our screening criteria to increase the assets under management considerations for women- and minority-owned managers—as we outlined in our February issue when we announced the finalists in the seven categories.

As you'll see on the following pages, firms that would have been excluded from the process in past years are now being highlighted as the best in their asset class this year.

Just as we will continue to work to evolve our coverage, we hope investors keep an open mind on their manager search and hire efforts. Whether it is through an emerging manager program, a diversity initiative or just a desire to identify and invest in the best managers, there is no one perfect set of parameters that can accomplish that.

Congratulations to our winners.

Matthew McCue
Editor

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U.S. Reps Pen Letter To Increase Endowment Use Of Diverse Mgrs.

Higher education institutions looking for federal subsidies–including fully-reinstating their tax-free status–should be required to create policies encouraging greater use of diverse asset management firms, two U.S. House of Representatives members wrote in a letter to congressional leaders.

The letter from New York Congressman Gregory Meeks and California Congresswoman Maxine Waters, senior members of the U.S. House Committee on Financial Services, asked congressional leaders to support the repeal of the 1.4% excise tax that last year's Tax Cuts and Jobs Act imposes on higher education institutions.

But the letter also suggests that any federal subsidy for the institutions should be coupled with a requirement that "large vehicles of wealth creation adopt policies to increase the use of minority- and women-owned asset management firms" to close racial and gender wealth gaps.

Scrutiny regarding the use of women- and minority-owned asset managers in the investment management landscape has intensified, particularly after a Government Accountability Office study from September 2017 found that women- and minority-owned firms handle less than 1% of the $70 trillion managed in the U.S.

The letter asks congressional leaders and the heads of two Congressional tax-writing committees to implement four key practices recommended by the GAO in a September 2017 report.

The report recommended that federal entities have top leadership commit to increasing opportunities for diverse asset managers; review investment policies and practices to remove barriers; conduct outreach to inform managers about investment opportunities and selection processes; and explicitly communicate priorities and expectations about inclusive practices to investment staff and consultants.

"It is exciting to be reaching a period where more and more people are pushing for a conversation about whether or not endowments have assured themselves they are working with the best talent," said Robert Raben, director of the Diverse Asset Manager Initiative and president and founder of The Raben Group. "Not working with women or people of color means there is a good chance you are missing out on talent and missing out on returns."

The lack of diverse asset managers in the foundation and endowment space is due in large part to the institutions' risk aversion and a matter of incumbency–a belief that a first-time investment in them is too risky when trusted networks are already in place, Raben said.

It is also partially due to the institutions being less transparent than municipality and corporate funds, which are more highly regulated, he said.

A study from the approximately $2.1 billion John S. and James L. Knight Foundation supported these beliefs, finding that foundations and endowments are less likely to invest with minority- and women-owned firms than other types of institutional investors, including public pension funds, as previously reported in sister publication Nnprofit News (NPN, 5/3/17).

The lack of diverse asset managers in the foundation and endowment space is unlikely to change until it is mandated by leadership, particularly cios, Raben argued.

"Until the cio decides to change, you're banging your head against the wall," Raben said, noting that the cio has more say in portfolio management than board or committee leadership. "CIOs frequently make more than the president [of the organization] and I am learning that the typical relationship with a board and a cio is that a cio reports to them and that's that. If the cio is earning 5% to 7% returns, there is nothing to say."

The letter from Rep. Meeks and Rep. Waters also cited the Knight Foundation study's findings that there is no statistical difference in performance between minority- and women-owned firms and their counterparts.

Rep. Meeks was not available to discuss the letter by press time and a spokesman for Rep. Waters did not return a phone call or respond to an e-mail seeking comment.

The Tax Cuts and Jobs Act, signed into law by President Donald Trump on Dec. 22, levies a 1.4% excise tax on institutions with 500 or more students whose net investment income of the aggregate fair market value of its assets–other than those used directly in carrying out the institution's exempt purpose–exceeds $500,000 per student. The excise tax does not include state colleges and universities.

The letter follows bipartisan legislation introduced to the U.S. House of Representatives on March 8 looking to repeal the excise tax on higher education institutions' net investment income that was included in the Tax Cuts and Jobs Act as well as a letter from the presidents and other leadership figures at 49 higher education institutions to congressional leaders urging them to repeal or amend the tax.

IMSS Assists Investment Firms In Populating Databases

In the run-up to the launch of Investment Management Support Solutions (IMSS), Founder Patricia Sandoz keyed in on a glaring problem among investment managers–that they were neglecting to keep performance databases updated.

Launched in March 2017, IMSS aims to help managers address this issue, giving them the necessary tools to populate consultant databases in order to drive as much new business as possible.

"Databases are where the searches start–if you're not in them, you're not getting all of the exposure you could be," said Sandoz, who was a partner with Pursuit Capital Marketing prior to launching IMSS.

Sandoz, who currently runs the firm on her own, provides data to over 35 consultant databases in both traditional and alternative markets, including Callan, Cambridge Associates, eVestment, Fund Evaluation Group, Mercer and Preqin.

The firm currently has five clients ranging in size from $200 million to $33 billion in assets under management, Sandoz said, noting that IMSS has helped each of the firms overcome similar challenges.

The most critical area that investment managers are often neglecting is keeping their performance data updated, Sandoz said. Most of the firms were missing intermittent monthly data points, such as assets under management, while others were altogether missing from certain databases, she said.

In other instances, firms submitted some data but then never finalized or updated it, she explained, adding that quarterly, year-end and annualized totals can become skewed and inconsistent across databases as a result.

That's where IMSS comes in, advising on what databases managers should be in and the specific data they should be providing, offering services to four key areas–database management, marketing, client service and operations, she said, noting that the heart and core remains on the database management side.

"When a money manager hires us for database management, we do a full review of what they are populating and where," Sandoz said. "Then, on a project basis, we make recommendations for additional databases, and clean up missing data and inconsistencies across the populated ones."

Sandoz believes her experience can help with unique issues in the emerging manager space. She noted that she was able to assist an emerging manager with approximately $275 million in assets under management after carving out from another firm in populating different databases as an entirely new investment firm.

Within marketing, IMSS assists firms with RFP and RFI completion and serves as a liaison for independent project requests. Within client service, they assist with client service reporting requirements and prepare presentation books for client meetings.

On the operations side, the firm provides general infrastructure support and reviews current vendor service contracts for cost effectiveness. Those vendor services include phone and internet, supply vendors, outside IT vendors and event planning assistance.

Backing its claim of cost effectiveness, IMSS offers retainer, hourly and project-based fee structures that aim to fit a firm's need and budget.

NEWS BRIEFS

► Northern Trust Asset Management is targeting executing 10% of all equity security trading commissions with minority brokers, the firm announced.

The commitment will extend to 120 common and collective investment trusts the firm manages and is consistent with its support for CEO Action for Diversity & Inclusion, which focuses on advancing diversity and inclusion in the workplace.

The firm already directs one-third more trading volume to minority brokers than its peers, according to a third-party study commissioned by Northern Trust in 2016.

► Investment managers can reduce the amount of time wasted on fundraising by focusing on productive interactions with the right investors, according to marketing and capital raising firm Meyler Capital.

The firm highlighted five ways that firms can identify the best fits and cut down on wasted meetings in an article posted on its website (editor's note: EMM's affiliated FIN Searches database is cited).

The full post is available on the firm's website.

► E-mails and in-person visits are by far the most effective means to get into contact with institutional investors, according to a recent Market Strategies International report.

The study found that 53% of institutional investors view e-mails as the most effective type of contact while 20% cited in-person visits.

Among specific investor types, 42% of corporate defined benefit plans viewed e-mails as the most effective form of communication and 29% selected in-person visits, while 57% of foundations viewed e-mails as most effective versus 25% who selected in-person visits.

Among endowments, the e-mail preference shot up to 76%, while in-person visits garnered just 2% of the vote.

While e-mail may be preferred by most institutions, frequency is also a factor, with 41% stating that contacting them once a quarter is the optimal, followed by 27% who said once a month and 21% who prefer twice a year.

"Asset managers would be wise to verify preferences with their individual clients and devise a communication plan accordingly," the report said.

The full report is available through the firm's website.

Correction: GCM Grosvenor will continue to run the Consortium emerging manager event previously run by RG & Associates under its existing emerging manager events program. RG & Associates Founder Renae Griffin joined GCM Grosvenor earlier this year.

Kirk Sims

Investment Officer
Teachers' Retirement System of Illinois

Candace Ronan

Global Equity Portfolio Manager
California State Teachers' Retirement System

AWARD CATEGORIES

- SMALL-CAP EQUITY
- SMID-CAP EQUITY
- MID-CAP EQUITY
- LARGE-CAP EQUITY
- ALL-CAP EQUITY
- INTERNATIONAL EQUITY
- FIXED-INCOME

The seven winners of the **12th Annual Emerging Manager Awards** have been selected.

The winners were chosen by compiling the votes from a highly-respected pool of industry experts. *Emerging Manager Monthly* would like to extend our appreciation to our panel of judges who took the time to review each of our 21 finalists in providing their selections.

Individual selections from each judge will remain anonymous, however, each award winner did receive the majority of the votes. We ask that managers do not contact the judges regarding their selections.

The award categories are domestic all-cap, large-cap, mid-cap, small- to mid-cap and small-cap equity, international equity and domestic fixed-income.

Each winner competed with two other finalists in their category. Finalists were selected using a quantitative screening process utilizing data from PSN *Informa*.

In all, 389 products were considered for the awards.

To be eligible for the awards, managers must have submitted year-end 2017 data to PSN *Informa* by Jan. 26, have at least $10 million in product assets and have full-year 2017 performance figures as well as 2017 year-end product asset information.

Firmwide assets for non-minority- and women-owned firms were capped at $2 billion, while MWBE equity managers with up to $10 billion were considered and all MWBE fixed-income managers were considered.

Natalie Jenkins Sorrell

Deputy CIO
Dallas Employees' Retirement Fund

Alli Wallace

Principal
Meketa Investment Group

Rosa Vasquez

Investment Officer
Illinois Municipal Retirement Fund

Inclusion of any firm in the Annual Emerging Manager Awards does not constitute a recommendation to make, hold or seek an investment in any managed fund by Emerging Manager Monthly, PSN Informa or the awards selection committee judges. Nor does the exclusion of any firm in the Annual Emerging Manager Awards constitute a recommendation to make, hold or seek redemption in any managed fund. Emerging Manager Monthly compiles information from PSN Informa to determine the Finalists and Winners of the Emerging Manager Awards. The information used is deemed to be accurate and reliable. Emerging Manager Monthly, PSN Informa and the awards selection committee judges assume no liability for errors, omissions or inadequacies in the information and any subsequent incidental or consequential damages that may result.

SMALL-CAP MANAGER OF THE YEAR

BERNZOTT CAPITAL ADVISORS

Camarillo, CA | www.bernzott.com

Firm AUM: $855 Million

Product AUM: $513 Million

Performance: 28.21%

Kevin Bernzott

Thomas Derse

Scott Larson

Ryan Ross

SMID-CAP MANAGER OF THE YEAR

PIEDMONT INVESTMENT ADVISORS

Durham, NC | www.piedmontinvestmentadvisors.com

Firm AUM: $6.8 Billion

Product AUM: $100.4 Million

Performance: 23.52%

Isaac Green

Richard Mills

Sumali Sanyal

ALL-CAP MANAGER OF THE YEAR

SANDHILL INVESTMENT MANAGEMENT

Buffalo, NY | www.sandhill-im.com

Firm AUM: $1.0 Billion

Product AUM: $296.4 Million

Performance: 34.14%

Mark Larry

Edwin Johnston III

Aaron Vandeguchte

Richard Ryskalczyk

INTERNATIONAL MANAGER OF THE YEAR

STRATEGIC GLOBAL ADVISORS

Newport Beach, CA | www.sgadvisors.com

Firm AUM: $4.1 Billion

Product AUM: $579.1 Million

Performance: 38.53%

Left To Right: Brendan Skarra-Corson, Gary Baierl, Cynthia Tusan, Mark Wimer, Cherie Badri

MID-CAP MANAGER OF THE YEAR

SMITH GRAHAM & CO.

Houston, TX | www.smithgraham.com

Firm AUM: $5.8 Billion

Product AUM: $478.5 Million

Performance: 21.68%

Bill Charcalis

LARGE-CAP MANAGER OF THE YEAR

WAKEFIELD ASSET MANAGEMENT

Englewood, CO | www.wakefieldasset.com

Firm AUM: $846.3 Million | Product AUM: $580.7 Million | Performance: 31.37%

Todd Gervasini

Ryan Kelley

Greg Brittain

Austin Lloyd

FIXED-INCOME MANAGER OF THE YEAR

GARCIA HAMILTON & ASSOCIATES

Houston, TX | www.garciahamiltonassociates.com

Firm AUM: $10.0 Billion

Product AUM: $7.4 Billion

Performance: 3.81%

Left To Right: Yvette Dueñas, Kelly Niland, Karen Tass, Don Elsenbrock, Gilbert Garcia, Ben Monkiewicz, Nancy Rodriguez, Jeffrey Detwiler, Connie Falcon Davis, Reese Weller

CONGRATULATIONS TO THIS YEAR'S WINNERS!

VIEW ALL OF THE PAST WINNERS AND ISSUES AT EMERGINGMANAGERMONTHLY.COM

Simons Says

Is The DOL Fiduciary Rule Dead?

By Tim Simons, FOCUS I Associates

Tim Simons is a senior managing member of FOCUS I Associates, a provider of regulatory compliance services, responsible for assisting clients with updating policies and procedures, assisting with regulatory filings, designing and reviewing marketing materials and conducting mock SEC examinations. Prior to joining FOCUS 1, Tim was a Chief Compliance Examiner in the SEC's Philadelphia Office where he also supervised a branch of Investment Adviser/Investment Company Examiners and participated in over 200 examinations between 1998 and 2000.

Is the Department of Labor's Fiduciary Rule dead? The correct answer is, "pretty much."

On March 15, the Fifth Circuit Court of Appeals vacated (that means struck down in its entirety) the DOL's fiduciary rule in a 2-1 decision, saying it constituted "unreasonableness," and that the DOL's implementation of the rule constitutes "an arbitrary and capricious exercise of administrative power."

Prior to the industry's appeal, the District Court dismissed the suits of industry organizations (the U.S. Chamber of Commerce, the Financial Services Institute, the Securities Industry and Financial Markets Association, and others) who then appealed to the Fifth Circuit Court of Appeals. Since the Court's decision was rendered by only three of the Judges rather than the full Court, it could be referred to the full Court, work its way to the Supreme Court, or be rewritten by the DOL and resubmitted.

CNBC.com indicated that a DOL spokesman stated to them that, "Pending further review, the [Labor Department] will not be enforcing the 2016 fiduciary rule." I don't think they have a choice. Of course, that would not preclude the DOL from appealing.

Many of us considered the DOL's fiduciary rule to be over-reach or a "turf-grab" by the DOL into the SEC's backyard. It was suggested that perhaps the DOL and SEC could work together to develop a rule that would focus on SEC registrants who provide advice to ERISA accounts that fell under the protection of the DOL.

At the Practising Law Institute's SEC Speaks in February, SEC Chairman Jay Clayton said, "I don't think it's any secret that we're going to make a big effort to try to bring clarity and harmony to the investment adviser, broker-dealer standard of conduct regulation – something that's important to me. I think it's something that regulators need." Chairman Clayton did not mention a timetable.

Chairman Clayton did indicate that an ideal fiduciary rule would:

1. Describe the standard that would apply to a particular relationship, providing investment advice or selling a product;
2. Enhance protection of the client/investor; and
3. Achieve regulatory coordination with state insurance commissioners, state securities regulators, FINRA, the SEC, the DOL, and potentially other agencies.

One of the things that concerns members of our industry, as well as investors, is the different titles used by members of the industry and the lack of consistent use. For example: the difference between an investment adviser and an investment advisor, one registered with the SEC and the other not necessarily registered with the SEC, one required to disclose certain information about their firm and conflicts that may exist, and the other not so much. The SEC will have to be creative in trying to address what titles are appropriate and what requirements will be need to be met for each title.

Organizations that have expressed the need for uniform usage of titles include the CFA Institute, the Investment Adviser Association, and the Consumer Federation of America. Barbara Roper, of the Consumer Federation of America, has said, "the central problem in the market for investment advice is not that investors are confused, it's that investors are being actively misled" because "broker-dealers have been permitted to rebrand themselves as advisors, offer extensive advisory services, and market their services as if investment sales were solely incidental to advice, rather than the other way around, all while being exempted from the fiduciary standard of conduct appropriate to that role."

House Financial Services Committee Chairman Rep. Jeb Hensarling, R-Texas, said, "The flawed DOL fiduciary rule is the epitome of regulatory overreach that would harm the very people it's allegedly intended to help. "It is vital that we preserve access, choice and affordability for retirement planners, and in doing so, empower these hardworking Americans to make financial decisions that work best for their families."

Rep. Ann Wagner, R-Mo., said that the 5th Circuit ruling "reaffirms what I have always said, the Department of Labor fiduciary rule was an ill-advised, top-down assault on local financial advisors and broker-dealers."

Judge Edith Jones, who wrote the 5th Circuit decision for the majority, stated that the "DOL has made no secret of its intent to transform the trillion-dollar market for IRA investments, annuities and insurance products, and to regulate in a new way the thousands of people and organizations working in that market."

"Large portions of the financial services and insurance industries," Jones wrote, "have been 'woke' by the Fiduciary Rule and [best-interest contract] exemption. DOL utilized two transformative devices: It reinterpreted the 40-year-old term 'investment advice fiduciary' and exploited an exemption provision into a comprehensive regulatory framework."

Eugene Scalia, the lead attorney who argued against the DOL rule before the U.S. Court of Appeals was asked by Think Advisor to comment on Former Labor Secretary Tom Perez and Assistant Secretary of Labor Phyllis Borzi maintaining that the rule was designed to update the 40-year-old Employee Retirement Income Security Act to reflect changes in the retirement planning landscape.

"First of all, this rulemaking was not about ERISA. It was far and away mainly about IRAs and the tax code. What you saw [with the fiduciary rule] was a statement by Assistant Secretary Borzi and others that basically the law that Congress enacted wasn't good enough. That kind of assessment is not the Labor Department's job, yet they acted as if it was proper for them to step in [and rectify] what they saw as errors by Congress."

My Perspective

R.I.P. DOL Fiduciary Rule

I love Scalia's answer to the last question.

The ball is in the SEC's court.

GH&A

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Institutional Investor 2015 U.S. Investment Management Awards Intermediate-Term Fixed Income Manager of the Year

Pensions & Investments Best Places to Work in Money Management 2017 Multiyear Winner 2016

Institutional Investor Awards 2014 Fixed Income Investment Grade Manager of the Year

Emerging Manager Monthly 2010 Core Fixed Income Manager of the Year

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*Data as of January 31, 2018

Awards/rankings may not represent client experiences and are not indicative of future performance. Go to www.garciahamiltonassociates.com/awards/ for additional information on each award.

Bell Asset Hopes Global Equity Approach Rings For Investors

Bell Asset Management is hoping U.S. institutional investors look Down Under for upside returns.

The Melbourne, Australia-based global equity firm has looked to capitalize on the shift from U.S. institutional investors—and emerging manager programs in particular—to focus on non-U.S. strategies.

"What we've been doing over the last 12 months is really focused on building our relationships with the emerging manager groups," said Robert Sullivan, managing director for strategy and distribution.

The firm has already garnered one mandate through emerging manager-of-managers Progress Investment Management Company.

Bell is no stranger to U.S. institutions, which make up roughly 30% of its $1.2 billion in assets—largely from the Taft-Hartley space.

The firm was founded in 1997 and boasts a 15-year track record in global equity, returning 11% annualized gross-of-fees since inception as of Dec. 31, compared to 8.9% by the MSCI World Index.

CIO Ned Bell said the track record is important because the portfolio has been through different market cycles, compared to others that have only operated in the bull market of the past eight years.

"It participates in the upside but has been defensive and resilient in the down markets," he said of the strategy, which has an upside market capture of 107.65% and a downside market capture of 91.72%.

The firm focuses on high-quality companies that are trading at reasonable prices, investing only in those that have return on equity above 15% for three consecutive years. This approach narrows the investible universe to about 900 companies that are then researched to understand why they are profitable and how sustainable the profitability is, Bell explained.

The companies are evaluated for management, profitability franchise and financial strength and business drivers, narrowing the potential opportunities to roughly 250 companies that are then reviewed to identify those that are mispriced. Ultimately, the portfolio holds about 100 names.

"We are buying things when they are out of favor, but they are high-quality companies," Bell said.

The firm's strategy provides a complement to other global and international strategies, as the all-cap strategy has a focus on small- and mid-cap companies.

"From a client perspective, they see the growth potential," Sullivan said, noting that small- and mid-cap "are in the sweet spot of the growth cycle."

"You don't have valuation risk or as much crowding risk that you see in the mega-cap stocks," Bell added, noting that the firm also has a dedicated smid-cap version of the strategy that is offered and is beginning to attract interest from investors. "Frankly, you see more mispricing because of the way the sell side research industry is going. You see companies that are not being picked over as much as they would have been a few years ago."

The firm's research process takes advantage of that, as the investment team travels extensively, holding meetings with roughly 500 companies annually. "We do a lot of engagement globally," Bell said, noting that when traveling, approximately 70% of the research is on small- and mid-cap companies.

Being outside the mega-cap stocks also provides a different exposure to the market that can benefit from the continued shift toward passive investing.

You see more mispricing because of the way the sell side research industry is going. You see companies that are not being picked over as much as they would have been a few years ago.

"There is a lot of momentum from passive ownership of those mega-cap stocks in the U.S. As a global manager, we can be much more flexible about moving the portfolio away from those mega-cap stocks," Bell said.

Solstein Capital Positioned For Growth With Multi-Family Office Backer

Global value equity manager Solstein Capital is ready to introduce itself to the world with the backing of its new multi-family office strategic partner San Francisco Sentry.

The San Francisco-based women- and minority-owned firm has partnered with SF Sentry in a move that provides Solstein with an influential investor to help open doors, new markets and a September move into their own office, Solstein Co-Founder and Co-CIO Nadine Terman said.

SF Sentry was founded more than 25 years ago by a group of San Francisco families to grow wealth and has since become an innovator in the family office space, offering bespoke solutions across a number of asset classes, Terman said.

"Everything they do is very entrepreneurial, and the firm's CEO, Rick Dirickson, has been a key champion for Solstein's growth over the last year," Terman said of SF Sentry.

SF Sentry V.P. Andrew Finver, who joined the multi-family office from emerging manager-of-managers Progress Investment Management Company recently to lead business development and focus on external manager research, noted that he'd been familiar with Solstein in his previous role.

"The leadership at SF Sentry sees Solstein as an extension of their investment staff, advising and managing global public market portfolios for family office and institutional clients," Finver said. "It's a bigger arrangement, it's a bigger inspiration. It's not your typical seeder focused on an equity stake and firm AUM growth."

Solstein's assets under management have grown to $120 million as of Feb. 28 from $68 million 12 months earlier, while the firm also now advises on another $125 million completely through its partnership with SF Sentry, he said.

This growth builds on the firm's $47 million mandate with the California State Teachers Retirement System through Progress, and the move to team with SF Sentry also comes roughly one year after Solstein launched a long-only approach to pair with its hedged offerings.

"We're delivering alpha from differentiated global portfolios for our clients, and our growth reflects those facts" Terman said.

Terman pointed to Dirickson's backing as a key differentiator for Solstein's growth over the last year. Wendy Paskin-Jordan, who became a member of Solstein's inaugural advisory board last year, introduced long-time friend Dirickson to the firm, Terman said.

"One key benefit from having advisors that are also sponsors is that they vouch for you and leverage their own networks in order for you to grow," Terman said.

Dirickson and the families that make up SF Sentry have acted as an institutional-quality stamp while also renting office space to and providing operating resources for the firm, Terman said.

"In my 50 years of investment experience, Nadine has distinguished herself as one of the most capable and thoughtful asset managers I have had the pleasure of working with," Dirickson said. "Solstein's investment approach, with an emphasis on quality businesses located both in and outside of the United States, is an excellent fit for many of SF Sentry's clients."

One Year Ago

Solstein Launches Long-Only International Equity Strategy

Global value equity manager Solstein Capital is finding itself at a watershed moment as it incorporates both the launch of a long-only international equity strategy and the establishment of a new advisory board.

The San Francisco-based women- and minority-owned manager, which has offered a long/short value strategy, launched a new long-only strategy in the fourth quarter that employs a bottom-up value-oriented approach to stock picking using the same team, investment philosophy and processes as the hedged strategy, said CEO and Co-CIO Nadine Terman, who co-founded the firm with Co-CIO J.C. Torres.

"Same team executing the same processes. One strategy is hedged and the other unhedged. After continual requests by clients and prospective clients for a long-only strategy, the team performed an in-depth review and decided it was time to add the unhedged strategy," Terman said.

"It's been methodical. We didn't take the decision lightly. We didn't base the decision solely on client demand. We reviewed our long-only returns since inception, performed a back-test of our strategy with our risk management partner Kiski agement Company, the pension plan disclosed (see story, page 18).

While Terman was unable to provide comment on the firm's relationships, she acknowledged that the emerging manager-of-managers space is one that the firm intends to place a greater focus on moving forward.

In addition to the new long-only strategy, the firm has begun an advisory board that includes Wendy Paskin-Jordan and Leo Soong as inaugural board members, Terman said.

Paskin-Jordan, who founded investment advisory firm Paskin Capital Advisors, established the first mutual fund business at Wells Fargo Bank as well as develop- was introduced to Paskin-Jordan.

"Our team really believes in that theme of experience, entrepreneurism and diversity. She's a proactive backer of women in the industry...It was a no brainer to work with Wendy going forward," Terman said.

With Paskin-Jordan's assistance, Solstein has built out its board to also include Soong, co-founder and senior advisor of Crystal Geyser Water Company, who also formerly served as lead independent trustee of Barclays Global Investors Funds and Master Investment Porfolios, according to Terman.

"We're going to leverage their significant experience in the investment industry. They'll help build a world-class board for us" that will support Solstein's advancement in the industry, Terman said.

With the incorporation of the advisory board and the launch of the long-only strategy, Solstein has next set its sights on launching a mutual fund in the space, Terman said. The firm has also identified key incoming personnel to build out its team, however she declined to provide names until they became official.

Although Solstein has welcomed several recent and upcoming developments to

Five Years Ago

Solstein Capital Looks To Navigate Markets To Find Opportunities

SF Sentry has also entrusted Solstein as a subadvisor, she added, noting that Solstein retains its full independence and employee ownership.

"When the head of a firm says 'I'm backing this group, this person—and we're going to help support their growth,' it means that everyone pitches in to help us. It's really the spirit of the relationship," Terman said.

Solstein is 100% women- and minority-owned and operated and includes Managing Member J.C. Torres, V.P. Rey Yang, Associate Alex Salinas and Director of Operations and CCO Sandra Southworth.

"We've mindfully taken an approach to ask, 'Where is the talent the firm needs?' and be open to all types of people," Terman said of the firm's employee makeup, noting they did not set out to hire only women and minorities. "That approach enabled us to find and attract key talent that was undiscovered by other firms."

Solstein's team has developed a proprietary quality/value framework that drives construction portfolio, risk management and investment pipeline focus, pairing global thematic research with bottom-up analysis to drive a differentiated view.

The firm's long-only strategies complement its long-biased hedge fund and are tailored to the particular client, which usually carry their own boundaries of sectors and values related to the benchmark, Terman said.

Solstein's growth to date and the backing of SF Sentry also give Terman and her team reason to believe that now is a perfect time to expand additional pipelines as its strategic partnerships open up.

"One of our goals for this year is to communicate externally the value we are bringing on both the hedged and long-only portfolios and partner with one or two additional groups," Terman said.

In particular, the firm has stepped up conversations with the emerging manager-of-managers community beyond Progress, Finver said.

Although Solstein's predominant efforts in the more liquid developed markets large-cap equity space allows for the capacity to handle a larger number of potential clients, the firm's primary interest is in developing relationships with partners that can help one another grow, Terman said.

For Terman, the firm's approach to constructing a portfolio across all sectors and investment themes, as well as its emphasis on open and communicative client relationships, should appeal to institutional investors looking for long-term manager partnerships.

"We like to partner with people. We want to grow with them and deliver value to them along the way" Terman said.

With both the recent growth and advantageous support system in place, Solstein is convinced it can continue to capitalize on those resources to develop the asset and client base it envisions moving forward.

"2017 was the inflection point for Solstein," Finver said. "Now, it really comes down to communicating externally. Look at where Solstein has come in a year and a half–doing the same things they were doing since inception, but now being recognized for it."

Blue Moon's 2nd Fund Highlights Inst'l Interest In Senior Housing

When Blue Moon Capital Partners Co-Founders Kathryn Sweeney and Susan Barlow shared a cab after an industry conference in 2012 following an introduction from a mutual contact, they had no idea they'd be raising capital for their second senior housing real estate fund by the end of the decade.

In the intervening years, the 100% women-owned Boston-based manager has successfully invested its $250 million first fund with the invaluable assistance of seeding partner Hawkeye Partners and has begun fundraising for a second, larger fund to extend its prominence in the senior housing space—an area both women feel will become a staple of institutional investor portfolios moving forward.

"We believe that senior housing will become a core product, investment type for institutional investors so we felt that we could organize a firm exclusively for that," Barlow said.

Following that fateful cab ride in 2012, the duo decided to launch the senior housing real estate firm in 2013 based on their complementary skillsets: "Susan's capital strategist skills and my track record in senior housing, experience and relationships," said Sweeney, who has a 20-year track record in the senior housing space that includes 16 years as a principal at AEW Capital Management and three years as a managing director at the GPT Group.

As Barlow—whose previous experience in the consulting business included founding Callan's real estate consulting practice—began pursuing options for setting up the firm, she dropped a line to Managing Partner Claudia Faust of Hawkeye Partners, which was providing seeding platforms to new managers out of its Scout II Fund.

Barlow noted that while she initially made the call for informational purposes, it ultimately proved to be instrumental to Blue Moon's development.

"I didn't think Hawkeye would be interested because we were a startup in every sense of the word," she said.

Hawkeye provided a $175 million initial commitment at the end of 2014 that led to Blue Moon's official launch in January 2015, and the firm eventually upped the commitment to $250 million.

The firm is targeting $400 million and approximately 18 investments for the second fund, Barlow said, adding that both funds have a national scope focused on primary markets and each has a life span of five-to-seven years. Fund II has already been bolstered by a $100 million fourth quarter commitment from the $109 billion State of Wisconsin Investment Board, as reported by sister publication fin|daily.

Blue Moon believes the outperformance of senior housing over other property sectors in the NCREIF property index over the one-, three-, five- and 10-year time frames highlights its resiliency during the recession, making it an appealing sector for more risk-conscious institutional investors, Barlow said.

Over the 10-year period ending Sept. 30, stabilized senior housing returned 10.4% against both the NCREIF Property Index's 6.23% and 6.1% for the apartment landscape, according to a report by the National Investment Center for Seniors Housing & Care (NIC).

"Institutional investors—as they're now looking for defensive investments—look and see how well senior housing performed during the downturn and are very intrigued by it," Barlow said.

Susan Barlow

Kathryn Sweeney

Executing the strategy for the firm is a team that includes Managing Directors Chris Kronenberger and Kevin Donahue, Director Elyse Hanson and Associate Shalini Srivastava.

"In terms of how we coalesce as a team, everyone has their main sources and responsibility. From there it's a very collaborative, collegial approach," Sweeney said.

The firm is rounded out by Controller Damien Bradley, Senior Accountant Jeff Estano and Office Manager and IT Coordinator Matt Ryan. Blue Moon also plans to hire three additional people with the emergence of Fund II, including adding two to the investment team and one to support the accounting side of the firm, Barlow said.

The $250 million Hawkeye commitment in the first fund has been successfully allocated across 12 investments, consisting of eight development projects and four acquisitions.

Of the 12 investments, Sweeney said 11 were off market, "sourced through relationships we've had for a long time," with the fund utilizing the services of seven senior housing operators across those investments.

"There may be a handful or two more that we could add to the second fund, but we were highly selective in this first fund so we would really like to do some repeat business with some operators in Fund II," Sweeney said.

The firm's current operator relationships range from startups to the largest privately-owned national operator, Life Care Services, Barlow said.

The firm's other senior housing operators include larger national operators Senior Lifestyle and Senior Care, super regional operator Belmont Village, regional operator LCB Senior Living and local operators Cedarbrook Senior Living and Ascent Living Communities.

"We've got quite a range so that gives us a great purview," Sweeney added.

Although Hawkeye's focus on seeding first-time funds precludes it from investing in the second fund, they have already provided another important assist by reporting Blue Moon's progress to its own clients on a quarterly basis over the last three years, resulting in positive feedback for the firm and generating a set of familiar investors to target, Barlow said.

"They've more than opened the door and made the introduction…so you start there because those are the groups that already know you and know what you're doing," Barlow said.

Venture Capital Firm Looks For Big Returns In Texas Marketplace

The saying "Everything is bigger in Texas" doesn't necessarily apply to its venture capital space. But ATX Seed Ventures does see a big and growing opportunity in early-stage venture capital investing throughout the state.

Brad Bentz

The Austin, Texas-based ATX, which focuses on software, Internet of Things, e-commerce and mobile applications, is in the midst of raising its second fund.

The firm is targeting $50 million for Fund II and has already corralled its first institutional investor, a small Texas-based foundation that committed $2 million, which Partner Brad Bentz called "a big validation point for us."

The firm was founded in April 2014 and raised $17 million for its first fund from high-net-worth individuals and family offices, with the fund's backbone being the serial investors that Partner Chris Shonk had invested with prior to the launch of the firm.

The firm's network is an important competitive advantage, Bentz said, explaining that having seasoned founders and ceos that are active angel investors and advisors to companies allows ATX to uncover opportunities at the ground level.

The first fund allowed the firm to lead seed rounds and participate in some Series A rounds but not much beyond that, whereas the goal on Fund II is to lead seed rounds, have significant roles in the Series A rounds and also have the ability to continue into Series B rounds if the opportunity remains attractive.

The $50 million target would give the fund the resources to go deeper with its winners, Bentz said, explaining Fund I taught a valuable lesson because it was "undercapitalized and didn't have the powder to take the upside on our winners."

The firm invested in 16 companies in Fund I—of which it has exited four and has one wind-up—and has made five investments so far in Fund II. The plan is to have the same number of portfolio companies in Fund II as in the initial fund, Bentz said.

The firm's three areas of focus are geography, stage and industry/sector focus. "We just feel like the more focused we are, the better the performance is likely to be," Bentz said.

While Fund I focused on Austin, Fund II will look more broadly across Texas. "We want to be close enough that we can still be face-to-face with the management teams," he said. "We think the Texas market is big enough that we can source four-to-six high-quality investment opportunities a year."

Bentz said the firm's location also allows it to make investments in companies at more reasonable valuations than are often found on the coasts. "The entry price says a lot about the kind of return you are going to be able to generate from an investment," he said.

Of the 20 companies the firm has invested in, only two were pre-revenue. "Here, it is all about show me the money. Show me traction. Show me customers. Show me revenue," he said. "We think that is very important for us in terms of getting comfortable with the amount of risk we are taking on."

The firm has a structured framework of 45 criteria that it considers when evaluating a company that focuses on the opportunity itself, the management team and the deal structure, with an aim to identify opportunities that solve a problem rather than just being "nice to have," Bentz said.

"We are looking for the aspirin, not the vitamins," he added.

For Fund II, the firm is targeting foundations and endowments with less than $2 billion in assets as well as fund-of-funds. With many pension funds focusing on emerging firms that are spin-outs from larger firms, the firm's institutional fundraising efforts have been challenging given its young track record, Bentz said.

"We've had some realizations from Fund I but they were fast and weren't large in terms of the X multiple," he said, explaining that the larger exits are likely to occur in years seven and eight of the fund.

To provide additional incentive to investors, the fund will set up a side car for every portfolio company in order to give LPs discretion to invest up to 1X of its fund commitment with no fee and no carry.

"That is something that we are trying to entice institutional investors to take a hard look at," he said, explaining that the side-car opportunity allows investors to dip their toe in the water with the fund while putting more money to work at later stages with less risk.

"We are just trying to get in front of those investors and make sure they get that message. I think that will resonate with some of them," Bentz said.

First-Time VCs Leveraging Experience To Raise Capital: Pitchbook

First-time venture capital firms are more experienced than they've been historically—and are having more success raising capital, according to a recent Pitchbook report.

Until 2010, at least 50% of first-time VC investment teams had neither VC or growth equity experience, nor had they founded a company. But by 2013, the proportion of first-time managers without this experience had shrunk to just 27%, and has subsequently hovered between 26% and 41% in the years since, the report found.

Over those past four years, first-time funds have also continued to see a growth in limited partner commitment. First-time funds raised $5.9 billion across 59 funds in 2017, a 21% increase in capital raised and a 37% increase in the number funds compared to 2016.

The report also noted a longstanding trend that has begun to change—the proportion of VC fundraising made up by first-time funds.

"At first glance, it may seem that first-time VC fundraising is simply following the trend of the broader VC market, which has exhibited an increase in median fund size and, therefore, capital raised amidst growing LP interest in private markets," the report stated.

But after falling nearly every year since 2000, the proportion of VC fundraising made up by first-time funds increased considerably in 2017, the report stated. First-time managers accounted for 12% and 17% of capital raised and the number of funds, respectively, in 2017.

The report is available by request on Pitchbook's website.

Chicago Teachers Eyes Q4 MWDBE Private Equity Manager RFP

The $10.9 billion Public School Teachers' Pension & Retirement Fund of Chicago expects to issue another RFP for minority-, women- and disabled-owned private equity managers in the fourth quarter, CIO Angela Miller-May said, in an e-mail.

The RFP will follow three commitments made to MWDBE private equity managers last month and is being issued to capture potential opportunities to invest with firms fundraising in the latter part of the year, Miller-May said.

The plan posts RFPs to its website as they become available and general investment consultant Callan also provides private equity consulting for the plan.

The minimum qualifications and requirements will likely mirror those from the search completed last month, Miller-May added.

The plan committed $12.5 million each to Astra Capital Management's Astra Partners I and Farol Asset Management's Farol Fund II as well as $10 million to Turning Rock Partners' Turning Rock Fund I at the March 16 board meeting, Miller-May said, noting that all three represent new relationships for the plan.

Astra focuses on lower middle-market buyouts in communication and technology services, Farol focuses on lower middle-market co-investments and Turning Rock makes lower middle-market debt and equity investments in special situation credit, structured equity and niche assets, she said.

The plan interviewed the three firms alongside fellow finalist Estancia Capital Management at last month's meeting as part of a search for MWDBE private equity managers initiated in January (EMM, 1/23).

San Antonio F&P To Discuss Opportunistic Investments

The $3.1 billion San Antonio Fire & Police Pension Fund will discuss filling out an opportunistic portion of its emerging manager program at a future investment committee meeting.

The committee is expected to meet with emerging manager-of-managers Attucks Asset Management at a future meeting to define which types of opportunistic investments will be included in the program moving forward, according to audio from its March 21 meeting.

The plan originally approved the inclusion of a new 0% to 15% range to an opportunistic investments bucket within its emerging manager portfolio, which is targeted for roughly $150 million in total, in July (EMM, 9/6).

The plan currently has between $16 million and $18 million earmarked for emerging opportunistic investments that is being managed in a Russell 1000 Index fund by Northern Trust Asset Management, according to the audio.

The investment committee next meets on April 19, according to plan's event calendar.

Separately, CIO Matthew O'Reilly tendered his resignation from the plan effective March 28, an individual at the plan confirmed (see story, page 20).

It is not immediately clear how O'Reilly's departure may impact the emerging manager program discussions.

Lastly, the committee did not discuss a previous recommendation to terminate Attucks at its March meeting, according to audio. The full board had voted against a committee recommendation to terminate the firm at its Jan. 31 meeting and the investment committee tabled a discussion on the contract with Attucks from its Feb. 21 meeting, according to minutes.

Texas Teachers Lines Up $3 Billion For Emerging Manager Program

The $142 billion Teacher Retirement System of Texas will allocate up to $3 billion to emerging managers as part of the program's five-year initiative to help grow the next generation of investors, Managing Director Sylvia Bell said, in an e-mail.

The plan will launch "Emerging Manager Select," a $1 billion program that will seek top performing private markets emerging mangers for direct investments, and "Emerging Manager Innovation," a $2 billion program that will invest across multiple structures.

The plan expects to finalize the details of the capital plan and individual mandate sizes by the end of this year and may begin making investments in 2019, Bell said.

Emerging Manager Select will target emerging managers who have outgrown the program but with whom the plan would like to continue an investment relationship, Bell said. Bell did not respond to a follow-up e-mail seeking details on how a manager outgrows the program.

The "highly selective" program will make concentrated investments in both primary funds and co-investments with six-to-10 managers, according to a presentation Bell made at the plan's Feb. 15 board meeting.

Emerging Manager Innovation will invest in joint ventures, seeding, anchor, new funds, co-investments and re-up funds across hedge funds and long-only public equity, allocating capital earlier on in the manager's lifecycle than the Select program, Bell said.

Staff and existing emerging managers-of-managers GCM Grosvenor and The Rock Creek Group will handle manager sourcing, Bell said. GCM currently manages approximately $2.7 billion, consisting of emerging private equity and real assets managers, and Rock Creek manages a $294 million emerging hedge fund program.

The plan's emerging manager program is led by Bell and also includes Senior Associate LeAnn Gola and GCM Associate Andrew Padilla, who serves as a dedicated on-site staff member.

The team is also supported by GCM Managing Directors Derek Jones and Peter Braffman, who provide private market advisory services, and Rock Creek President and CEO Afsaneh Beschloss, who provides public market advisory services.

Interested managers may contact the plan at emergingmanagers@trs.texas.gov to obtain additional information on the program requirements.

The emerging manager program was first established in 2005 and the plan has since committed a total of $5.8 billion to emerging managers, the plan said.

Silicon Valley Discloses Additional Minority Manager Investments

The $8.2 billion Silicon Valley Community Foundation added two minority-owned investment managers in 2017, Spokeswoman Sue McAllister said, in an e-mail.

The fund invested $31.4 million in San Francisco-based minority-owned global equity manager Gobi Capital and $14.2 million in Hong Kong-based long/short equity manager Tybourne Capital Management, she said.

The hires bring the total number of women- and minority-owned asset managers to 12 for the fund, which began an initiative in 2014 to explore how to better engage diverse-owned managers across its investment portfolio with its investment consultant Colonial Consulting (EMM, 2/5/14).

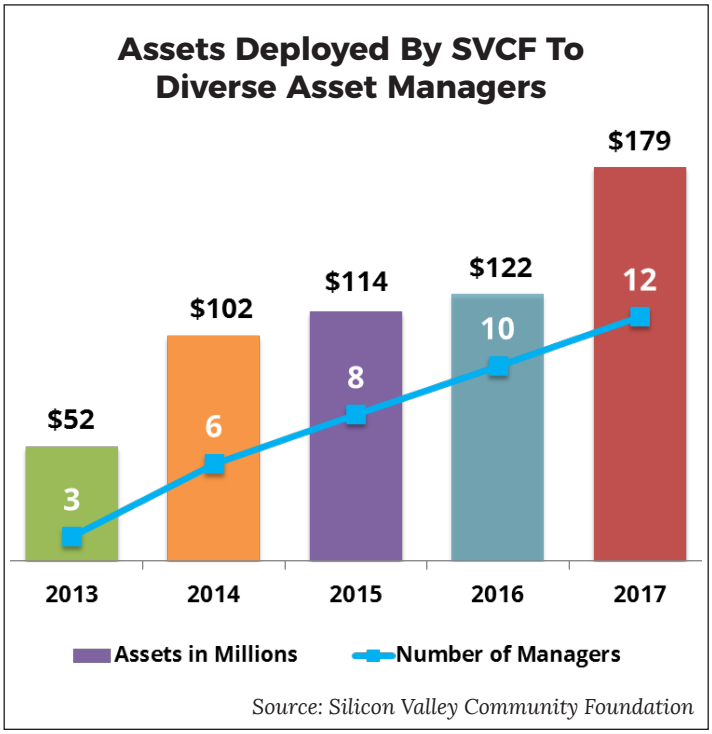
The plan has deployed a total of $181 million across the 12 women- and minority managers, representing 19% of the total non-cash assets advised by Colonial Consulting.

The plan had previously disclosed nine investments and also made an $8.3 million investment in Weathergage Capital, a private equity fund-of-funds focused on growth equity and venture capital funds, in 2016. The firm closed its Weathergage Venture Capital IV in 2017, according to its website.

The remaining managers consist of domestic equity manager Ariel Investments, international equity managers Boston Common Asset Management, Kabouter Management and Lizard Investors, fixed-income manager Garcia Hamilton & Associates, private equity managers Grain Management and Sango Capital Management, private credit manager Brightwood Capital Advisors and hedge fund manager Standard General.

Colonial Consulting held meetings with 50 diverse managers in 2016, of which 26% were first-time meetings, according to the foundation.

The firm recommended 26 of those managers to clients in 2016, with all being hired.



Search Roundup *powered by* fin|searches

The following directory includes search and hire activity for the last month, as well as previously reported ongoing searches. The chart also includes emerging managers hired for direct mandates. All amounts are in $millions unless otherwise stated.

For further information on finsearches' daily search leads please visit www.finsearches.com or contact Gene Dolinsky at 646-810-1072 or gdolinsky@finsearches.com.

Fund Name	Fund Size	Investment Type	Size	Comments
SEARCHES				
Public School Teachers' Pension & Retirement Fund of Chicago	10,936	Private Equity	N/A	Plan will likely issue an additional RFP for minority-, women- or disabled-owned private equity managers in the fourth quarter in an effort to potentially capture opportunities to invest with firms that may be fundraising in the latter part of the year. Plan posts RFPs to its website (http://www.ctpf.org/general_info/procurement.htm) as they become available. Plan completed a recent search for MWDBE private equity managers at its March 15 board meeting by committing a total of $35 million to three managers.
ONGOING				
Maryland State Retirement & Pension System	51,875	Absolute Return	N/A	Plan continues to evaluate responses to an emerging manager RFI that was open to absolute return strategies and may make a decision by June 30. Plan may ultimately allocate between $150 million and $300 million to the asset class through emerging managers-of-managers. An RFI was issued in 2016.
Los Angeles Water & Power Employees Retirement Plan	14,174	Emerging Manager		Plan is still expected to receive an additional educational presentation on emerging managers at a future board meeting, however, there has been no set schedule yet. Plan first discussed emerging managers in 2016 with general investment consultant RVK.
San Francisco City & County Employees' Retirement System	24,465	Emerging Manager-of-Managers	53	Plan postponed discussion regarding staff recommendation to terminate emerging small-cap core equity manager-of-managers Bivium Capital Partners at the request of a trustee who was unable to attend its Jan. 10 board meeting. Plan was expected to discuss recommendation at the meeting to terminate Bivium from a $53 million mandate due to organizational and performance concerns. Plan declined to provide further comment.
San Antonio Fire & Police Pension Fund	3,094	Emerging Manager-of-Managers	N/A	Plan's investment committee did not discuss a previous recommendation to terminate emerging manager-of-managers Attucks Asset Management at its March 21 meeting, according to audio. Full board had voted against a committee recommendation to terminate the firm at its Jan. 31 meeting and the investment committee tabled a discussion on the contract with Attucks from its Feb. 21 meeting, according to minutes. Committee's Jan. 24 minutes do not provide any context for the original recommendation. Further information is unavailable at this time.
San Antonio Fire & Police Pension Fund	3,094	Emerging Managers		Plan will meet with emerging manager-of-managers Attucks Asset Management at a future meeting to define which types of opportunistic investments will be included in its emerging manager program moving forward, according to audio from its March 21 meeting. Plan originally approved the inclusion of a new 0% to 15% range to an opportunistic investments bucket within its emerging manager portfolio, which is targeted for roughly $150 million in total, in July. Plan currently has between $16 million and $18 million earmarked for emerging opportunistic investments that is being managed in a Russell 1000 Index fund by Northern Trust Asset Management. Investment committee next meets on April 19, according to plan's event calendar.
FIRMS HIRED				
Public School Teachers' Pension & Retirement Fund of Chicago	10,936	Private Equity	35	Plan approved minority-, women- and disabled-owned private equity commitments of $12.5 million each to Astra Capital Management's Astra Partners I and Farol Asset Management's Farol Fund II and $10 million to Turning Rock Partners' Turning Rock Fund I at its March 15 board meeting. Commitments followed finalist interviews that also included Estancia Capital Management.
Dallas Employees' Retirement Fund	3,557	Private Equity	40	Plan approved a recommendation to commit $30 million to Fairview Capital Partners and $10 million to GCM Grosvenor for private equity co-investments at the plan's March 13 board meeting.
New York State Common Retirement Fund	201,300	Private Equity	20	Plan made a $20 million private equity commitment to NexPhase Capital Fund III through its emerging manager program, in January. Commitment was made through M2 NY Pioneer Fund II, which is advised by Muller & Monroe Asset Management, one of the plan's emerging manager program partners.
Silicon Valley Community Foundation	8,168	Global Equity	31.4	Fund invested $31.4 million in San Francisco-based minority-owned global equity manager Gobi Capital in 2017.
Silicon Valley Community Foundation	8,168	Long/Short Equity	14.2	Fund invested $14.2 million in Hong Kong-based long/short equity manager Tybourne Capital Management in 2017.

San Antonio F&P CIO Resigns

Matthew O'Reilly has resigned as cio of the $3.1 billion San Antonio Fire & Police Pension Fund, effective immediately, an individual at the plan confirmed.

The board was informed of O'Reilly's resignation to pursue other opportunities at its March 28 board meeting and subsequently relayed the information to staff, according to the individual.

Executive Director Warren Schott did not respond to a call seeking comment on O'Reilly's departure and O'Reilly did not respond to an e-mail seeking comment on his future plans.

Investment Analysts Jason Hsu and Sinclair Nagy will remain in their positions, the individual confirmed.

The plan hired O'Reilly as its first cio in 2010.

Okla. Police Terminates Exec. Director

The $2.5 billion Oklahoma Police Pension & Retirement System terminated Executive Director and CIO Steve Snyder at a March 12 board meeting, effective immediately, Vice Chairman Ryan Perkins said.

The board approved the motion during a closed session discussion at a special board meeting earlier that day, Perkins said. He did not elaborate further on the decision.

The termination stems from a state attorney general's office investigation into allegations that Snyder engaged in excessive travel for personal business and was reimbursed with state funds.

The attorney general found that nine of 21 reimbursement claims Snyder submitted from Feb. 7, 2015 through Sept. 29, 2017 were for personal travel, according to the search warrant, which is available here.

The allegations against Snyder involved state assets and not plan assets, Perkins said.

In addition to Snyder's termination, the board authorized plan staff to conduct a search for a new executive director and named Pension Administration Officer Sean Ruark to the position in the interim, Perkins said.

ILPA Hires Former Cambridge Exec.

Institutional Limited Partners Association (ILPA) has hired former Cambridge Associates COO Steven Nelson as its ceo, Spokeswoman Emily Mendell confirmed, in an e-mail.

The research and advocacy group for limited partner investors tapped Nelson after a search conducted by Toronto-based management consulting firm Arlington Partners International, the firm said. He assumed his new role on March 26 and is based in ILPA's Washington, D.C. office.

Nelson replaces Mike Mazzola, who stepped in as interim ceo in July 2017 following the departure of the firm's former CEO Peter Freire.

At Cambridge Associates, Nelson oversaw global business operations in the coo role, which he was promoted to in January 2016 after previously serving as the firm's head of portfolio services. He had been with the firm for 20 years.

Nelson's former responsibilities are now being handled by the rest of the senior leadership team, Spokeswoman Katarina Wenk-Bodenmiller confirmed, in an e-mail. The firm has not hired a replacement.

ILPA represents over 450 members with a collective $2 trillion in private equity assets under management.

Georgia Foundation Names First CIO

Jason Bull will join the $1.2 billion University of Georgia Foundation as cio on April 9, he confirmed.

Bull will join the Athens, Ga.-based foundation from Emory Investment Management, where he was managing director of public equities. His last day at the investment management arm of Emory University was March 30.

"I am excited to get to work with the investment committee to better understand the portfolio and look forward to growing the endowment to serve the needs of current and future students," Bull told sister publication Nonprofit News.

Bull will lead a staff at the University of Georgia Foundation that includes Director of Investment Operations Chrissy Moffett, Director of Investment Research Ryan Hitchins and Investment Analyst Will Hearn.

The university said it decided to create the position and seek an outside candidate to fill it after the endowment surpassed $1 billion in liquid assets.

Carlton College Hires CIO

Kelsey Deshler has been named the new cio of Carleton College, according to an announcement.

Deshler will manage the Northfield, Minn.-based college's $977 million endowment and oversee its Minneapolis-based investment office, the college said. She will also work with the college's investment committee to develop the overall investment strategy and monitor the endowment's performance.

Deshler was most recently the global head of manager research at BlackRock, overseeing investment researchers across traditional and alternative asset classes.

At Carleton, she fills a role that has been vacant since the November 2016 departure of CIO Jason Matz to become cio at the GHR Foundation in Minneapolis.

Carleton's media office did not respond to a request for comment.

Following Deshler's departure, BlackRock has appointed Stephanie Park and Reinoud van Ieperen as acting heads of manager research, Spokeswoman Melissa Garville said, in an e-mail. Park is an operational due diligence researcher and van Ieperen is an investment due diligence researcher.

UVIMCO Names Next CEO & CIO

Robert Durden will join the University of Virginia Investment Management Company (UVIMCO) as its next ceo and cio this month, according to an announcement from the institution.

Durden will oversee $9.2 billion in endowment and other long-term funds invested on behalf of the University of Virginia and its foundations as well as the organization's 35-person staff, according to the announcement.

Durden will join the Charlottesville, Va.-based organization from the Houston-based Texas Children's Hospital, where his last day was March 31, Spokeswoman Jenn Blackmer Jacome said, in an e-mail.

Director of Investments Keith Nelson will serve as interim cio while the hospital conducts a search for Durden's successor, Jacome said. She was unable to provide further information on the search.