TOWNSEND® GROUP

February 6, 2025

Real Estate Flash Report

CBRE U.S. Core Partners, CBRE Global Alpha Fund

Re: CBRE Investment Management Platform (Update from September)

Recommendation

We recommend that Townsend clients take no specific action with respect to investments in CBRE Investment Management products. Townsend clients should continue to monitor the ongoing transition to new leadership. Townsend will continue to monitor and report back to clients with any concerns. Townsend maintains its "Buy" rating on the two CBRE IM open-end funds.

Background

In September, Townsend received notice from CBRE Investment Management (the "Firm" or "CBRE IM") that Larissa Belova, Lead Portfolio Manager of CBRE U.S. Core Partners ("USCP" or the "Fund"), had departed the Firm. Ms. Belova's position was replaced by the appointment of Elisabeth Troni.

In December, CBRE announced that Kim Hourihan, CIO of CBRE Investment Management, was departing the Firm. Townsend was subsequently informed that Adam Gallistel would be installed as co-CEO and as CIO of CBRE IM beginning April 2025.

CBRE U.S. Core Partners Portfolio Management Changes

In September, Elisabeth Troni was appointed to serve as Lead Portfolio Manager of USCP. Ms. Troni previously served as Lead Portfolio Manager for the CBRE Global Alpha Fund, the Firm's $10.2 billion (GAV) open-end core-plus real estate strategy. Ms. Troni has over 25 years of global real estate investment experience with expertise in portfolio strategy and execution across geographies, direct and indirect investment formats, and traditional and specialty sectors. Ms. Troni will be based in New York and brings her research and investment background to her new role.

Ms. Troni joins the existing USCP portfolio management team, including Deputy Portfolio Manager Justin Shanahan. Mr. Shanahan has worked on the USCP team since nearly the fund's inception and has been involved in portfolio strategy and modeling, transaction underwriting, property- and portfolio-level financing, and performance analysis and reporting.

CBRE Global Alpha Fund Portfolio Management Changes

Upon the appointment of Ms. Troni, CBRE also announced that Lucy Fletcher will succeed Ms. Troni as Lead Portfolio Manager for the CBRE Global Alpha Fund. Ms. Fletcher joins CBRE from QuadReal, where she served as the Global Head of Portfolio Management and Managing Director. In her previous role, Ms. Fletcher managed investor oversight, portfolio construction and strategy, capital allocation, portfolio analysis, and performance analytics across the firm's real estate equity and debt investment portfolio globally.

CEO and CIO Changes

In December, CBRE announced that Andy Glanzman and Adam Gallistel will become Co-CEOs of CBRE Investment Management. Mr. Gallistel will also assume the role of Chief Investment Officer for CBRE IM. Mr. Glanzman is the current President of CBRE IM and a long-time executive of the firm. Mr. Glanzman has helped the business build out CBRE's operator capabilities and positioned the Firm to deliver continued real assets solutions for the Firm's clients.

Mr. Gallistel will be joining CBRE on April 1, 2025, from Singapore sovereign wealth fund GIC, where he led the Americas Real Estate and Global Real Estate Credit businesses. In that capacity, Mr. Gallistel focused on investing in next-generation growth sectors, including data centers and other infrastructure sectors.

Upon the announcement, Townsend was notified that Kim Hourihan will be leaving the firm to pursue other opportunities. Ms. Hourihan will be in her current position as CIO through March 31, 2025, and thereafter will be available as needed through June 30, 2025. Ms. Hourihan had significant oversight over the Firm's operations during her 17-year tenure, most notably as the Portfolio Manager of U.S. Core Partners Fund.

Changes to CBRE Investment Committees

Mr. Glanzman currently serves on the Americas Investment Committee for deals over USD$150M NAV. As CIO, Mr. Gallistel will be an active member of the Investment Committees. The go-forward structure for each global IC will be determined in due course as CBRE completes the transition.

Townsend Commentary

In January, Townsend held an introduction meeting with Mr. Glanzman and Mr. Gallistel, who were also accompanied by Ms. Troni, Julie Ingersoll (CIO, Americas Direct Real Estate Strategies), and Bernie McNamara (Head of Client Solutions). Subsequently, Townsend held a call with Bob Sulentic, CEO and Chairman of CBRE (parent company of CBRE IM). Townsend reviewed several topics discussed below.

USCP Fund Overview

As of September 30, 2024, CBRE U.S. Core Partners totaled $11.6 billion in gross asset value and $7.9 billion in net asset value. The Fund currently has no contribution queue and the redemption queue totaled $553 million at the end of the third quarter. Since inception, the Fund has generated a 9.3% total net annualized return and outperformed NFI-ODCE over all major time periods. USCP maintains its *Buy* rating per Townsend's 2024 fund review.

USCP Portfolio Management Changes

Ms. Belova had worked on USCP since joining CBRE in 2019, playing a key role in the Fund's outperformance throughout her tenure. Ms. Belova's real estate experience and proximity to the Fund made her a strong Lead Portfolio Manager; her departure is an overall negative for the Firm. However, despite Ms. Belova's departure, the remainder of the USCP team remains intact, including Deputy Portfolio Manager Justin Shanahan. USCP will continue to lean on the existing team that has been a part of the Fund's strong historical performance throughout the transition from Ms. Belova to Ms. Troni.

Ms. Troni has considerable real estate experience and familiarity with the CBRE platform from her tenure as Lead Portfolio Manager of the Firm's global core-plus product. Having previously served in the Lead Portfolio Manager capacity, Ms. Troni is a natural fit to succeed Ms. Belova and lead USCP. Given the Fund's historical outperformance, Ms. Troni will have the opportunity to enhance strategy and execution while the existing team continues with operations as usual. The Fund remains favorably positioned moving forward with an overweight to Industrial (35% of GAV) and various alternative property types (31%), and an underweight to Office (7%).

Kim Hourihan Departure

Townsend believes the departure of Ms. Hourihan is a loss to the Firm. As previously mentioned, Ms. Hourihan had significant oversight over the Firm's operations during her 17-year tenure, as CIO and as the previous Portfolio Manager of U.S. Core Partners Fund. As of today, Townsend does not know Ms. Hourihan's future plans.

Co-CEO Structure

CBRE believes the Co-CEO structure will benefit the Firm due to Mr. Glanzman's and Mr. Gallistel's complementary backgrounds. As Co-CEO and President, Mr. Glanzman will develop and execute the business strategy and manage day-to-day operations (acting as the operating vertical). As Co-CEO and CIO, Mr. Gallistel will oversee investment strategy and performance and focus on client engagement (acting as the investment vertical). Together, they will co-chair CBRE's Executive Committee.

Both Co-CEOs of CBRE IM will report to Bob Sulentic, Chairman and CEO of CBRE. Mr. Sulentic confirmed in a frank manner that personnel changes were driven by his desire to move from "a good to an exceptional team." The position of CEO at CBRE IM was vacant for approximately two years since the retirement of Chuck Leitner. Mr. Sulentic did not want a CEO/COO structure given the relative strengths of Glanzman and Gallistel in business operations and investments, respectively. He might use the "stacked" CEO/COO structure if the organization were smaller. From Townsend's perspective, installing Mr. Gallistel—an outsider to CBRE—as sole CEO might be more disruptive to the platform, given Mr. Glanzman's prior position as President.

Investment Strategy

CBRE is currently rated as a first quartile platform. Townsend does not anticipate an immediate change in investment strategy; however, we believe there will be a continued evolution of CBRE into alternate property types. The USCP Fund is already a leader among Core open-end funds with 32% of NAV in more niche sectors outside of traditional apartment, office, industrial, and retail. Parent company CBRE is in a position of strength today (stock price is up 70% year-over-year) to acquire new talent and/or platforms. We note CBRE just acquired a co-working flex office space firm, Industrius, for $800 million in January 2025.

About Townsend Group

Founded in 1983, Townsend Group, ("Townsend") provides a core set of investment skills exclusively focused on global real estate and real asset classes. The firm offers these capabilities to institutional investors as an investment advisor and consultant.

Townsend has been advising and managing real estate portfolios for over three decades and across multiple market cycles. As of December 31, 2023, Townsend had assets under management of approximately $21.5 billion. As of December 31, 2023, Townsend provided advisory services to clients who had real estate/real asset allocations exceeding $218.2 billion. We believe, through our global investment platform, fiduciary culture, asset class expertise and client capital scale, we are able to deliver clients unique information, while providing a sourcing and execution advantage.

Disclaimer

Exhibits

Exhibit A: CBRE U.S. Core Partners Organizational Chart

Biography

Andrew Glanzman

Co-CEO and President

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Andy Glanzman serves as Co-CEO and President for CBRE Investment Management. In this role, he is responsible for developing and executing the firm's global business strategy and overseeing day-to-day operations. Andy is Chair of the Executive Committee and a member of the firm's investment committees.

Andy is keenly aware of and motivated by the people dynamic of our business, which includes our team members around the world, the occupants and users of our investments and the communities where they reside, and the ultimate beneficiaries of our investment results (including many public servants who depend on pension funds for their retirement). He is focused on ensuring that we have world-class professionals and market-leading resources to help drive superior outcomes for all of our stakeholders.

Before assuming the Co-CEO role, Andy served as President of CBRE Investment Management, where he positioned the business to deliver holistic real assets solutions for clients and was responsible for driving organizational growth. Prior to his role as President, Andy served as Global Chief Operating Officer for CBRE's Real Estate Investments (REI) business segment, which comprises CBRE Investment Management and Trammell Crow Company.

Andy joined CBRE Investment Management in 2010 as Managing Director and Chief Legal Officer for the firm's credit division.

Before joining the firm, Andy was an attorney in the Private Investment Fund group at the law firm Mayer Brown LLP, where he concentrated his practice on private investment funds, mergers and acquisitions, joint ventures and other corporate and securities transactions. He began his career in the industry in 2004.

Andy earned a Bachelor of Arts degree from Indiana University and a Juris Doctor degree from Harvard Law School.

Biography

Adam Gallistel

Co-CEO and CIO
(Effective April 1, 2025)

Adam Gallistel will be joining CBRE Investment Management as Co-CEO and CIO effective April 1, 2025.

Adam is currently Head of Americas Real Estate, Head of Global Real Estate Credit, and Head of the New York Office of Singapore sovereign wealth fund GIC, as well as a member of GIC Real Estate's Global Investment Committee. In this capacity, Adam oversees investments across all segments of the real assets capital structure—including direct and indirect, private and public, debt and equity—as well as across geographies and risk profiles to achieve the best risk-adjusted returns.

Since taking over as regional head of real estate for the Americas in 2015, Adam has positioned the portfolio to focus on next-generation growth sectors, including data centers and other sectors that sit at the intersection of real estate and infrastructure. He has expanded the private debt and equity businesses through a combination of control deals, operating companies, single-asset acquisitions, programmatic JVs, large JV portfolio acquisitions, securities investments, recapitalizations and fund investing. He has extensive investment experience in nearly every sector of the real estate industry, with real estate capital markets knowledge that spans the Americas, Europe and Asia.

Adam currently serves as Chairman of the Board of Store Capital and as a board member of Coresite and PREA. He also is a member of the Executive Committee of the Zell/Lurie Real Estate Center at Wharton and the Columbia Business School Real Estate Forum.

Adam earned a Bachelor of Arts degree in History from the University of Pennsylvania and an MBA from Columbia Business School.

CBRE INVESTMENT MANAGEMENT OPERATING MODEL

Adam Gallistel
Co-CEO and CIO[1]

Andrew Glanzman
Co-CEO and President[1]

Client Solutions

Bernie McNamara
Head of Client Solutions[1,2]

- **Michael Ness** – Head of Strategic Accounts[1]
- **Scott Silverberg | Chris Wood | Mark Jun** – Heads of Client Solutions Officers Americas | EMEA | APAC
- **Stephanie Finetto** – Head of Client Solutions Operations
- **David Son** – Head of Infrastructure Client Solutions
- **David Makowicz** – Listed Business Development Strategist
- **Nick Colley | Dominic Garcia** – Global Portfolio Solutions

Investments

Adam Gallistel
Co-CEO and CIO[1]

- **Sabina Reeves** – Chief Economist & Head of Insights & Intelligence[1]
- **Achal Gandhi** – CIO–Indirect Real Estate Strategies[1]
- **Stephen Dowd** – CIO–Private Infrastructure Strategies[1]
- **Joseph Smith** – CIO–Listed Strategies[1]

Investor-Operator

- **Julie Ingersoll** – CIO–Americas Direct Real Estate Strategies[1]
- **Adrian Baker** – CIO–APAC Direct Real Estate Strategies[1]
- **Paul Gibson** – CIO–EMEA Direct Real Estate Strategies[1]
- **Robert Perry** – President–Americas Real Estate Division[1]
- **Adrian Baker** – President–APAC Real Estate Division[1]
- **Rik Eertink** – President–EMEA Real Estate Division[1]

Operations

Andrew Glanzman
Co-CEO and President[1]

- **Christian Fuqua** – Head of U.S. Credit Strategies
- **Chris McMain** – Head of Loan Structuring - U.K. Credit Strategies
- **Regional Heads of Logistics Operator Division**
- **Regional Heads of Residential Operator Division**
- **Regional Heads of Commercial/Urban Destinations Operator Division**
- **Gill Roantree** – COO–Real Estate[1]
- **Dennis Pellarin** – COO/CFO–Private Infrastructure
- **Jonathan Blome** – COO/CFO–Listed
- **Helen Gurfel** – Head of Sustainability & Innovation[1]
- **Alice Chiang** – Head of Investment Operations & Strategy[1]
- **Ian Zieger** – Chief Financial Officer[1,3]
- **Jeff Marcus** – Head of People[1,3]
- **Ampily Vijay** – Chief Digital and Technology Officer[1,3]
- **Leslie Motiwalla** – Head of Marketing & Communications[1,3]
- **Corporate Strategy & Investments**

Legal, Compliance, Risk & Tax

Pasha Zargarof
General Counsel[1,4]

- **Private Real Estate** – Legal & Compliance Team
- **Private Infrastructure** – Legal & Compliance Team
- **Listed** – Legal & Compliance Team
- **Credit** – Legal & Compliance Team
- **Risk Management**
- **Tax**

As of April 1, 2025. 1. Executive Committee member. 2. Dual report to Adam Gallistel and Andrew Glanzman. 3. Reports to a CBRE Group Corporate Function leader. 4. Reports to Andrew Glanzman.

INVESTMENT COMMITTEES

Americas Direct Private Real Estate

Executive Members

Julie Ingersoll (Chair) CIO–Americas Direct Real Estate Strategies	**Robert Perry** President–Americas Real Estate Division	**Scott Campbell** General Counsel and Head of Operations–Americas Direct Real Estate
Shane Taylor Head of Americas Research	**Ty Gerschick** Head of Property and Fund Financing–Americas	**Relevant Sector Leader**[1]
Ming Lee Head of Development[2]	**Mat Chamish** Director, Americas Direct Sustainability	

Independent Members

Pam Boneham	**Vance Maddocks**

For deals over US$150M NAV

Kim Hourihan Chief Investment Officer	**Alice Chiang** Head of Investment Operations & Strategy[3]	**Andrew Glanzman** Co-CEO and President[4]
Helen Gurfel Head of Sustainability & Innovation	**Bernie McNamara** Head of Client Solutions	**Michael Ness** Head of Strategic Accounts
	Sabina Reeves Chief Economist and Head of Insights & Intelligence	

As of December 5, 2024.

1. Participation based on sector-specific transaction (residential, commercial, logistics) in review.
2. Voting members for all development and redevelopment deals.
3. Non-voting member.
4. Adam Gallistel will be joining CBRE Investment Management as Co-CEO and CIO effective April 1, 2025.

PORTFOLIO MANAGEMENT TEAM

U.S. Core Partners Team

Portfolio Management Team


Elisabeth Troni
Portfolio Manager


Justin Shanahan
Deputy Portfolio Manager


Alisha Litt
Director


Crystal Lye
Sr. Analyst


Elena West
Sr. Analyst


Ian Lawrence
Analyst


Ricardo Garces
Analyst

Dedicated Fund Team

- 2 Financial Operations Team Members
- 4 Client Care Team Members
- 1 Support Team Member

Americas Operator Division | Investment Execution

- Head of Residential Real Estate
- Head of Commercial Real Estate
- Head of Industrial Real Estate
- Head of Development

Transactions and Asset Management

Shared Services

- SUSTAINABILITY
- CAPITAL MARKETS & ASSET FINANCE
- CLIENT SOLUTIONS
- CORPORATE FINANCE
- DIGITAL & TECHNOLOGY
- FINANCIAL OPERATIONS
- INSIGHTS & INTELLIGENCE (1)
- LEGAL & COMPLIANCE
- MARKETING
- OPERATIONS
- PEOPLE

For illustrative purposes only. As of September 3, 2024. (1) Includes research, analytics and quantitative research professionals.