

Institutional Real Estate Newsline

May 30, 2014: Vol. 22 No. 22

NYSCRF commits \$500m to Artemis

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The \$160.7 billion New York State Common Retirement Fund has made a \$500 million commitment to expand its emerging manager separate account with Artemis Real Estate Partners.

The separate account started with a \$300 million allocation in the fall of 2011. The additional investment to the program brings the total allocation to \$800 million.

The expanded separate account is seeking core-plus returns by making equity and debt investments of \$10 million to \$30 million in office, retail, industrial, multifamily, hospitality, healthcare and other property types in primary and select secondary markets across the United States. The separate account invests via a series of programmatic joint ventures with emerging managers. Emerging managers are defined as firms in business for 12 years or less, having less than \$1 billion of equity under management, and who have not raised more than three institutional funds. The program has a sensitivity to minority- and women-owned business enterprises.

Artemis is one of a handful of institutional real estate fund managers that invest across the risk spectrum of core, core-plus, value-added and opportunistic with a focus on smaller transactions.

Its partnership with New York State Common Retirement Fund provides capital to fill in a void in the market, while current megafunds dominate the primary markets in high-priced transactions.

The New York State Common Retirement Fund has a history of investing with emerging managers across all the major asset classes. In 1994 it started investing in the public equity space and has a long-standing fixed income emerging management program. In 2007 it expanded to private equity and moved into real estate during the fall of 2011.

Deborah Harmon and Penny Pritzker founded Artemis Real Estate Partners in 2009. The firm is a commercial real estate investment manager that invests throughout the United States with best-in-class local operating partners.

Artemis has two U.S. opportunistic real estate funds, Artemis Real Estate Fund I, which closed in 2012 with \$436 million in equity commitments, and Artemis Real Estate Fund II, which closed recently with \$580 million in equity commitments.

Institutional Real Estate Newsline (IREN) is a publication of Institutional Real Estate, Inc. • 2274 Camino Ramon, San Ramon, CA 94583 USA

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