



MARKET NAVIGATOR MASTERCOURSE

A five-day interactive learning and training program

COURSE CURRICULUM

SESSION ONE MARKET BRIEFING

(Two days)

An introduction to the nature, size, dynamics, language, culture, competitive and regulatory environments of the institutional real estate and infrastructure investment markets

- **Market overview: Who ARE those guys?**
 - Institutional real estate investment: The intersection of three markets
 - Defined-benefit vs. defined-contribution pension funds
 - Endowments, foundations, insurers, sovereign wealth funds, family offices
 - The roles played by investment staff, trustees, consultants
 - How different plans organize their staff

- **Language: Terminology and jargon**
 - Institutional investment market terms
 - Real estate investment market terms
 - Real estate investment management styles
 - Real estate investment vehicle types
 - Separate (individually managed) accounts
 - Closed-end funds
 - Open-end funds
 - Club deals
 - Joint ventures
 - Vehicle structures

- Fee structures
- Securities industry regulatory terms
 - Securities law
 - Securities offerings terminology
- **Pension investment from the investor's point of view**
 - What pension fund management is all about
 - General fund management objectives
 - Broad portfolio management strategies
 - Typical U.S. investor asset allocation
 - The role real estate plays in the portfolio
 - Comparative asset class risk/return profiles
 - Real estate portfolio management strategy
 - Real estate portfolio construction options
 - Real estate portfolio diversification
 - Typical real estate portfolio structure
 - Issues facing the institutional real estate investor market
- **Performance measurement and reporting**
 - Common performance measurement methods
 - The CFA Institute and its Global Investment Performance Standards (GIPS)
 - PREA, NCREIF, INREV and ANREV: Real Estate Information Standards (REIS)
 - The role benchmarks play in portfolio management
 - The most commonly utilized real estate benchmarks and indices
 - NCREIF
 - GRESB
 - GRI
 - MSCI
 - Various REIT indices

- **Market size and dynamics**
 - The HNW investor/mass affluent vs. institutional markets
 - Growth trends in the U.S. pension fund sector (number of funds and AUM)
 - Size, growth and relative performance comparisons
 - Defined-benefit vs. defined-contribution plans
 - Corporate vs. public plans
 - Single employer vs. multi-employer plans
 - Large vs. medium vs. smaller plans
 - Threats
 - Widespread, serious underfunding of defined-benefit plans
 - Worldwide shift from defined-benefit to defined-contribution pension plan funding schemes
 - The evolution of custom target-date funds

- **Market segmentation**
 - Investors
 - By type of plan
 - By investor type
 - By size
 - Long-term real estate allocation trend
 - Investment managers
 - The size and dynamics of the competitive landscape for investment management services
 - Larger investment managers vs. smaller investment managers
 - Attributes shared by the largest, most successful investment management firms

- **Demand: Current investor appetites for real estate investment management services**
 - Return expectations
 - Performance expectations
 - Investor risk/reward comparisons between asset classes
 - Recent shifts in and current asset class allocation targets

- Recent shifts in and current funding status of major asset classes vs. target allocations
 - Relative investor satisfaction levels with their real estate portfolios
 - Investor style preferences
 - Anticipated new capital allocations vs. uncalled capital commitments
 - Relative attractiveness of various U.S. and non-U.S. property markets
 - Relative attractive of various property types
 - Investor appetites for direct joint ventures with operating companies
 - Policy development for sustainability and responsible property investing
- **Supply: Fund offerings in the market and funds recently closed**
 - All funds currently in the market, by regional focus
 - Number of new offerings launched by year
 - A comparison of closed-end vs. open-end funds
 - Capital raised by recently closed offerings, by quarter and by year
 - By geographic focus
 - By investment style
 - By capital structure
 - Largest funds vs. all others
 - Trend charts
 - Number of quarterly fund closings
 - Quarterly amount of capital raised
 - Additional emerging trends
 - Niche product offerings
 - Keys to fundraising success in this type of market and investment climate
- **Decision-making processes**
 - The investment manager search and selection process, from the investor's point of view
 - Raising money, from the investment manager's point of view
 - Investment manager selection criteria
 - The three questions you must answer for an investor's consultant
 - Due diligence issues
 - Relationship management issues

- Reporting requirements
- **Fees**
 - Individually managed (separate) accounts
 - Open-end funds
 - Closed-end funds
 - ILPA guidelines
- **The nature of the problem: Classic mismatches between investors and investment managers**
- **Fiduciary considerations**
 - ERISA
 - ERISA fiduciaries
 - The “Prudent Person” standard
 - Diversification: how much is “enough”
 - Delegation of fiduciary responsibility
 - Penalties for breach of fiduciary responsibility
 - How fiduciaries can protect themselves from fiduciary liabilities
 - The investment management process for ERISA fiduciaries defined
 - Application of investment management process to real estate investing
 - Definition of “plan assets”
 - Plan asset rules
 - REOCs and VCOCs
 - Incentive compensation
 - Parties in interest and prohibited transactions
 - Statutory and administrative exemptions
 - Qualified professional asset managers (QPAMs)
 - Investment managers under ERISA
- **The bottom line: Is it worth it?**
- **Closing interactive panel discussion with representatives from the plan sponsor (institutional investor), consultant, placement agent and investment manager communities**

SESSION TWO
DEVELOPING A SYSTEMATIC APPROACH TO CAPITAL FUNDRAISING
(Three days)

SESSION TWO, PART ONE
PROFESSIONAL SELLING SKILLS
Needs-satisfaction selling

- **How to engage others in dialogue**
- **Needs-satisfaction selling: The art of questioning to uncover investor needs**
 - Closed probes: when and how to use them
 - Open probes: when and how to use them
 - Role plays: practicing your probing (or questioning) skills
- **Listening**
 - How to listen more proactively
 - How to listen at deeper levels
 - Role play: practicing your listening skills
- **Acknowledging**
 - What acknowledging is ... and isn't
 - What acknowledging does
 - Expanding your acknowledging toolbox
 - Role play: practicing your acknowledging skills
- **Product features and benefits**
 - What is a feature?
 - What is a benefit?
 - How do the features of your product satisfy needs?
 - Developing a list of investor needs, and the features and benefits of your current product offerings that can help satisfy those needs
 - Role play: practicing probing around the needs your current product offerings can help satisfy

- **General benefit statements**
 - What is a general benefit statement, how and when do you use them, and for what purpose?
 - Developing general benefit statements for your current product offerings
 - Role play: practicing the use of general benefit statements

- **Support statements**
 - What is a support statement, how is it different from a general benefit statement, how and when do you use them, and for what purpose?
 - Developing support statements for your current product offerings
 - Role play: practicing the use of support statements

- **Demonstrating features and benefits**
 - How should you go about demonstrating a particular feature and benefit of one of your current offerings?
 - Preparing a demonstration of one or more features of your current product offering
 - Role play: practicing your demonstration skills

- **Closing**
 - What is the difference between a “trial close” and a “classic close”?
 - How do you know when it’s time to close?
 - When should you use a trial close vs. a classic close?
 - Examples of trial and classic closes
 - Structure of a classic close
 - Developing a closing statement
 - Role play: practicing the use of trial closes and classic closes

- **Resistance, objections and how to handle them**
 - Indifference, the natural state of most human beings
 - How to handle indifference
 - Role play: practicing handling indifference
 - The three most common kinds of objections:
 - Misunderstandings, and how to handle them
 - Role play: practicing handling misunderstandings
 - Perceived drawbacks, and how to handle them
 - Role play: practicing handling perceived drawbacks
 - Doubt, and how to handle it
 - Role play: practicing handling doubt
 - Stalls
 - What is a stall, and why do they happen so often?
 - What can you do to preempt a stall?
 - How can you best handle a stall, if your preemptive measures failed?
 - Role play: practicing handling a stall
- **Putting it all together**
 - Role-playing a call from start to finish, employing all of your newly acquired professional selling skills
- **Recruiting and using coaches**
 - What are coaches, and where do you find them?
 - How coaches can help you penetrate large, complicated organizations with multiple decision-makers and decision influencers
 - Roles coaches can play
 - Developing a strategy for recruiting your own coaches for a specific account
- **Grand Summary:** session review

SESSION TWO, PART TWO

DESIGNING A MORE SYSTEMATIC CAPITAL FUNDRAISING PROCESS

Designing and implementing a more systematic,
more monitorable, more accountable, more manageable
approach to capital fundraising

- **Establishing a solid foundation**
 - Agreeing on a common language
 - Defining our terms
 - Marketing vs. selling
 - Communications and trust
 - What IS communication?
 - Why does communication sometimes break down?
 - What IS trust, and how do you create it?
 - The two directions any relationship can take

- **Developing sales and service call objectives**
 - What is the difference between a service call and a sales call?
 - What is the difference between service call objectives and sales call objectives?
 - Developing a list of standard service and sales call objectives

- **Designing your sales process**
 - The three stages of the sales process
 - Discovery
 - Presentation
 - Closing
 - Designing your own closing process
 - Designing your own presentation and presentation process
 - Designing your own discovery process
 - Putting it all together: your fundraising toolbox
 - Your list of discovery questions
 - Your presentation pitch book
 - Your closing checklist

- **Additional tactical issues**
 - Customer relationship management systems
 - Tips for working with consultants
 - Tips for preparing RFP responses

- **The art of delivering bad news**
 - Why bad news sometimes happens
 - What the client is likely to be experiencing
 - What you are likely to be experiencing
 - Handling your own emotions first
 - Preparing for the communication
 - Delivering the communication
 - Critical “do’s” and “don’ts”
 - How to know if you’ve done a good job

- **Developing more effective marketing and sales plans**
 - OKRs: objectives and key results
 - SMART Objectives and subobjectives
 - Strategic issues to address
 - Tactical issues to address
 - Setting targets for measuring and monitoring your activity
 - Phone calls
 - Voice mails
 - Conference “touches”
 - Face-to-face meetings
 - Email

- **Closing interactive panel discussion with industry experts**
(Investors, marketing executives, consultants and executives)