INSTITUTIONAL REAL ESTATE, INC.

Investment Management Best Practices

Investor and Consultant Interview Findings

Presented by
Institutional Real Estate, Inc.

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Table of contents

Introduction 1

Best practices 2

Worst practices 7

Additional observations 9

Appendix 12

About Institutional Real Estate, Inc. 13

Introduction

"Oh wad some Pow'r the giftie gie us
To see oursels as ithers see us"

— Robert Burns

This report synthesizes insights from a series of one- to two-hour interviews with four former real estate investment consultants and eight senior real estate investment officers from large public pension funds, corporate pension funds and insurance companies.

These interviews were conducted in late July and early August of 2025.

Because none of these professionals were still affiliated with their former employers, they were free to speak openly and candidly about their viewpoints and feelings about their past interactions with members of the investment management community.

The report highlights interviewees' views on best and worst practices in investment manager engagement, governance, reporting, strategic fit, and relationship building. The report also compares and contrasts viewpoints between consultants and investors, while examining some differences within each group. These findings include:

- Deep dives into best and worst practices
- Governance and transparency expectations
- Strategic fit and portfolio alignment
- Reporting preferences and frustrations
- Presentation styles and delivery expectations
- Comparative viewpoints between consultants and investors
- Differences within each group
- Unique insights and memorable quotes



How to get the most out of this report

Don't make the potentially harmful mistake of assuming you already know all of this.

You just might learn about some new best practices you and your firm can adopt.

You even might be inspired to create some new ideas that can raise the bar for what constitutes best practices in the industry.

You also might discover some of the things you've been doing are characterized by investors and consultants among the worst practices in the industry.

Chances are, there is at least one opportunity you'll discover that you and your teammates can use to improve the way you're approaching the business.

So read each statement and quotation carefully and focus on identifying those opportunities, so you can put them to work for you and your company.

Best practices

The most effective fundraisers

High emotional intelligence was essential. Investors could always sense when someone had an agenda. The words "genuine," "authentic" and "flexible" kept coming up when describing the best people the investors and consultants had worked with. The best also tended to make interactions feel personal and sincere, rather than transactional. And they were persistent. They seemed to realize that relationship-building takes time and winning business almost always was a matter of timing — of being in the right place with the right people offering the right solution at the right time. And the best had staying power — they weren't prone to switching firms all the time.

"The best people were those who took a sincere interest in what we were doing — not just in what they were selling."

"Trust is built through consistency and empathy — not salesmanship."

"The best business development people had staying power. They were with the same firm over a long period of time, so I didn't have to deal with a new person every two or three years."

"For me, the best focused on maintaining long-term relationships, checked in regularly — monthly, quarterly, annually — and showed genuine interest beyond the transaction. They tended to be more empathetic, respectful and had a strong interest in — and tried to develop a deeper understanding of — our team's broader portfolio context."

"They never tried to force-feed me ideas; they never faked familiarity. Honesty and integrity were key. So were authenticity and likability."

The most effective fundraisers demonstrated a deep understanding of their firm's business and a genuine belief in its mission. They also were skilled at educating consultants. They tended to recognize the volume of information consultants have to manage and the importance of clear communication.

"They didn't necessarily have to know how to buy property … but they had to care enough to go out and listen to — and learn from — their property investment professionals."

Success in real estate hinges on authentic relationships.

"The most effective professionals were "shamelessly affable" — genuine, likable and sincerely curious. Their warmth fostered trust and openness, making them more memorable and approachable."

"Investors are looking for managers who act as partners, prioritize client interests, and foster long-term relationships. Trust was built through honesty and shared values. For us, business was always very personal. Relationships often evolved into friendships."

Beyond personality, professionals must demonstrate meaningful knowledge of capital markets, investor trends, their portfolios, companies and deal structures.

"Those who frequently offered insights and connections — especially when not currently pitching a deal — were particularly appreciated."

A client focus and active listening were universally important.

"Investors value being heard. Managers should tailor their pitches to investor needs rather than rigidly following their own agendas. It should always be a dialogue; never a monologue."

"Rather than presenting the entire pitchbook, managers should focus on aligning their offerings with the investor's strategy and interests"

"It's important for managers to check in during their presentations to make sure the investor is keeping up with what's being discussed. But never talk down to the investor."

"Treating staff and investors with respect — regardless of their technical background — builds trust and fosters better relationships."

Organizational concerns

Organizational adaptability, resilience and sustainability were key, especially during times of market disruption and organizational change.

Strategic leadership was always a a critical factor in evaluating a potential new investment or a new investment manager. Organizations lacking clear strategic direction at the top usually got dismissed out of hand.

Credibility is built over time, so frequent turnover — particularly in investor-facing roles — undermines confidence.

Succession planning too often is neglected as well, leading to instability when leadership transitions occur unexpectedly.

Org charts should reflect depth beyond senior leadership, showing a fully built-out team.

Diversity mattered to some but not all. This didn't mean meeting quotas. Rather, investors who were concerned about diversity tended to look for some semblance of the manager making a visible effort toward achieving some measure of gender and ethnic inclusion.

Platform risk also was a concern. Problems or issues within the manager's organization can distract from portfolio performance and should be disclosed immediately.

Meetings best practices

First impressions matter — especially for new or small firms. Gut instinct plays a huge role in investment manager and investment program selection.

"You only get one shot, and if you blow it, it may take a while to get a second shot."

Who should play a speaking role. When conducting first time and subsequent meetings it's OK for senior staff to lead — but not dominate — the discussion. (Dominating undermines the investor's ability to evaluate the quality of the broader team.)

"Every individual the manager brings to a meeting with him (or her) should participate in and contribute to the dialogue — or they shouldn't be there."

In-person versus virtual. In-person meetings were generally preferred over virtual ones. (One consultant noted that in-person meetings sometimes can expose internal team dysfunction — nuances which were harder to pick up on during virtual meetings.)

Good questions to ask during or at the end of every meeting:

"What could our firm be doing differently?"

"Is there anything you're focusing on right now that we can help address?"

"What other information do you need?"

"What can we do to help you process what we've just presented?"

Reporting best practices

Clear, concise reports with executive summaries were favored. Reports should include macroeconomic context, detailed property-level performance, and strong attribution analysis. Openness to feedback and willingness to adapt reporting practices also were valued.

"Give me a one-page summary with bold fonts and key issues highlighted. Don't bury the lead."

"Tell the truth, the whole truth and nothing but the truth. If you messed up, just admit it."

"The most effective reporting included comparisons of performance relative to the original underwriting, budget and underwriting. We also liked to see forecasts, and later, comparisons of performance versus those forecasts. We liked to see comparisons to benchmarks like NCREIF, ODCE, Nareit and even the S&P 500 Index."

Timeliness and accuracy were universally valued.

"Reports must meet LP agreement deadlines to support broader fund reporting obligations."

Formatting and style: Investors preferred reports with visual elements and data accessibility.

"I liked to see lots of charts and graphs with access to the underlying source data rather than dense narratives. Give me the chance to extract and manipulate the data on my own."

Consultants wanted summaries and identification of risks.

"Hit the highlights and identify any potential negatives or pitfalls."

"You only get one shot, and if you blow it, it may take a while to get a second shot."

Client service best practices

Make every meeting count.

"Every interaction with an existing client is a test of the manager's continued relationship with the investor. These relationships are constantly being reevaluated. Even the most seasoned managers should be mindful that each time they engage with a client or their consultant, it's an opportunity to reinforce — or undermine — the client's trust in that manager and their confidence in that manager's competence, expertise and relative value to the investor. "

The best client service professionals respect internal communication channels and work through designated contacts.

"Ignoring these boundaries is a major turnoff, especially in hands-on organizations with

specialized staff."

Great client service means responsiveness, humility and a "how can I help?" mindset.

"The stand-out firms treat clients more like partners than capital sources."

Fiduciary culture

Fiduciary culture is essential, required and expected. Unfortunately, not all managers deliver on this requirement. It's rare to experience a true system-wide commitment to fiduciary behavior; too often the culture isn't fully implemented throughout the organization. Every single person on the team needs to be on the same page when it comes to what it means to be a fiduciary. One bad apple can spoil the entire barrel.

"It's easy to claim you're a fiduciary. But being a fiduciary requires more than just giving lip service to the idea."

"Do they really have a fiduciary mentality, fiduciary culture? And is it truly reflected throughout the organization? That's what I wanted to know."

"The stand-out firms treat clients more like partners than capital sources."

"A strong fiduciary culture must permeate the entire organization, not just exist in the documents."

"Without exception, managers must always act as stewards of investor capital, aligning their interests and objectives with those of their clients. Every single action the manager takes needs to reflect that culture."

"The GP needs to be very clear where their allegiances lie, and that their role is to be a steward of the investors' capital."

Strategic fit

What constitutes a "good fit" varies by client.

"Some prefer to work with smaller, more focused sharp-shooter type managers; others prefer to work with larger, more capable managers with broader and deeper platforms, investment strategies, product lines and execution capabilities. Filters for 'fit' often included property type, risk orientation, geographic and sector alignment and leverage levels as well."

Consultants tended to evaluate fit based on client-specific needs, risk appetites and portfolio construction objectives.

"Some clients wanted small managers; others only wanted mega-funds."

Investors emphasized trust and alignment with portfolio goals and objectives.

"Fit is about how it fits into the portfolio. The rest is about how well the personalities mesh together."

Both investors and consultants valued managers who understood their constraints and tailored offerings accordingly. Managers who understood how their offering fit into the investor's broader strategy were almost always preferred.

"Don't pitch me emerging markets if that's not in our mandate; don't pitch me anything that doesn't fill a gap in my portfolio."

Governance and transparency

Consultants and investors agreed that governance structures must support transparency and investor oversight.

Investors emphasized the importance of advisory committee engagement and full disclosure of fees and expenses.

"If you've incurred the expense, accounting rules require you to report it."

Consultants noted that responsiveness to feedback was a key indicator of future relationship quality.

"Non-defensiveness and openness to criticism were critical to us"

Investors and consultants both appreciated honesty, especially when things went wrong.

"You owe it to your investors to share with them when you're not quite on plan, as well as what you're going to do to get things back on plan."

"Surprises on the downside were a killer. Just tell me the truth."

"It's not about who had the best returns, it's about who was transparent, who was accountable, and who was proactive in protecting our capital."

Pitchbook best practices

Pitchbooks should be concise, value-driven and used as reference materials — not scripts.

"Treat the pitchbook as a discussion guide, not the bible."

Tailor everything.

"And this doesn't mean putting the investor's logo on

the cover page. Understanding your audience and their preferences is key. Especially tailor the format of your handouts to the audience. Some prefer hard copies over digital delivery, for example. And vice versa."

Include one or more case studies to help demonstrate the manager's capabilities as well as the lessons they have learned along the way.

"It's not enough to claim you're good at what you do. You need to be able to document specifically where, how and why you're good. It also always helps to include at least one deal that didn't work. Lessons learned are important."

Emphasize the team, the strategy and performance — especially relative performance in tough markets. Keep it concise, clear and visually digestible. Track records must be relevant to the proposed strategy and produced by the current team members.

"Don't lean on a great track record that isn't relevant to the investment opportunity you're trying to sell me."

> ***"Everyone expects a firm with 30 or more years investing to have made a few mistakes. Never hide those."***

Pitchbooks need to be coherent, transparent and engaging. A strong pitchbook aligns strategy with investor goals, showcases the team's ability to execute and highlights lessons learned. Misleading data or overhyping performance undermines credibility.

"Too many of the pitchbooks tended to all look the same: the same format; the same tired clichés. And that can get boring fast. The less boring a pitchbook was, the more time I spent with it."

"Past performance was the first filter in evaluating pitchbooks and offerings. If past performance was spotty … I wouldn't go any further."

"Insightful market analysis and creative presentation formats always drew my attention."

"Focus on strategy and execution. Zero in on your investment strategy, and your firm's capabilities for executing that strategy. Include specific deal information — from acquisition through disposition. Explain each team member's experience in executing that specific strategy — not just their overall experience."

"I always appreciated detailed breakdowns of individual investments."

"Everyone expects a firm with 30 or more years investing to have made a few mistakes. Never hide those. Talking about lessons learned from mistakes they had made always helped us better understand the experience and true character of a manager."

Presentation best practices

The best presenters were confident but not egotistical, as well as sensitive to time constraints and audience familiarity. They tended to avoid jargon and acronyms, especially when presenting to boards with diverse professional backgrounds. They also always were prepared for unexpected questions and maintained composure when answering them.

"Keep it short, focused and conversational. Always be aware of and adhere to time constraints. Always tailor content to the audience — especially when presenting to boards; avoid information overload and do your best to connect personally."

"Use humor or lightness where appropriate to break the ice and build rapport."

"Don't take it personally when asked an uncomfortable question. It's not personal, it's business. Most important, answer the question you were asked — directly, honestly, completely and nondefensively. But don't over-answer the question."

Consultants in particular valued presenters who came prepared with knowledge of the investor's portfolio and the constraints under which they're operating.

"They knew the investor's constraints and tailored their pitch accordingly."

Consultants also preferred detailed, interactive presentations.

"We wanted a lot of detail. If you came in armed with very little information, it wasn't going to go over well."

Investors valued brevity and clarity.

"Tell me what you're going to say, say it — and then tell me what you just said."

Both groups disliked rigid scripts and lack of audience awareness or engagement. Dialogue was always preferred over monologues.

"Don't try to take me page-by-page through a 25-page pitchbook. Send it in advance. I really do know how

to read and I'm not dumb."

"Presenters should engage the audience, ask questions, and tailor the message to the investor's needs."

"If your story essentially is 'we are the best and you should invest with us,' it's not going to resonate well with us or the board."

"The most effective presenters listened and included everyone in the room, not just the senior person. Everyone in the room is important and should be included in the dialogue. Ignoring junior staff or failing to engage everyone in the audience was always seen as a missed opportunity. It's so shortsighted when people ignore or dismiss the junior people in the room."

> ***"Presenters should engage the audience, ask questions, and tailor the message to the investor's needs."***

In high-stakes settings such as board presentations, brevity and clarity were paramount. Professionals should tailor their message to the audience, avoid over-explaining and respect time constraints.

"Be flexible and be prepared. Occasionally, your time can get truncated unexpectedly. If or when you find yourself in the position where you've only been allocated five or ten minutes when you thought you'd have an hour — you need to be prepared — you need to be absolutely crystal-clear about the three to five things you really need to get across."

Know your audience

Among consultants, some preferred hard copy materials while others embraced digital formats.

"I'm a little old school. I always liked the hard-copy books."

"I preferred being able to abstract data, so I could analyze it myself in my own way."

Among investors, preferences vary based on organizational constraints and political climate.

"Be aware of the political climate in which the investor is operating. Don't send the same book to Florida or Texas as you would to California or Massachusetts."

Some consultants emphasized experience and track record; others focused more on innovation and adaptability.

Some investors valued creative reporting formats; others preferred simplicity and consistency.

Consultant vs. investor viewpoints

Consultants tended to focus more on process, structure and alignment with client mandates.

Investors placed more emphasis on relationship quality, strategic leadership and trust.

Consultants were more likely to value detailed reporting and governance structures.

Investors and consultants were equally sensitive to presentation style and interpersonal dynamics, but with slightly different concerns:

Consultants: "I wanted to know if I can advocate for this manager with my client."

Investors: "I wanted to know if I can trust this person with our capital."

Other important considerations

The importance of experience: The experience of each team member was critical, even if the experience was obtained at another firm. Investment managers needed to be able to show they were well-equipped to execute the proposed strategy and that their operational infrastructure to do so was in place.

Disclosure: Full and fair disclosure about the risks and potential negatives associated with executing the proposed strategy was expected and appreciated.

Worst practices

High-pressure sales tactics/insufficient knowledge: Investors dislike aggressive tactics. Salespeople who lack deep knowledge of their own firm, property investing fundamentals, the fund or the specific investments in the fund also erode investor confidence.

"I responded well to the educational sale"

"I did not respond well to the high-pressure sale."

Lack of follow-up: Neglecting to engage after meetings or ignoring investor feedback signals disinterest or incompetence to the investor or consultant.

"Not following up. Not reaching out, period. That was their job."

"I shouldn't have to reach out to them. They should be calling me."

Overloaded pitchbooks: Both groups hate having being overwhelmed with excessive content.

"If you're here to talk about one product, don't give me a book full of everything your firm does."

Disregard for governance: Hiding material terms in side letters and manipulating "most favored nation" clauses breeds inequality and confusion.

"If you're hiding fees or governance terms, that's also a red flag."

Disingenuous, self-centered behavior: The worst managers tended to fake relationships or rely too heavily on CRM data without any real engagement with or real interest in the investor. The approach of these kinds of sales executives tended to feel phony and inauthentic.

"Too often, these managers failed to ask or focus on what the investor really needed and wanted. They only thing they really seemed interested in talking about was what they had to sell."

"The worst would look down at their notes and mechanically ask me about my kids — clearly without any real interest in my answer. They obviously were just taking down personal information about me to create the illusion of genuine interest."

High fees: Excessive or unjustified fees were immediate deal breakers. Failure to disclose fees paid to affiliates or hiding expenses until invoiced violates the basic rules of transparency.

End-runs and dishonesty: Going around the main contact or pretending to visit for business purposes when you're trying to justify a personal trip raises questions about integrity.

Dismissive behavior: Never discount or ignore questions or requests, especially from junior staff. Always show respect for people at all levels of the organization.

Overly firm-centric presentations: Focusing too much on the firm or product without reference to the investor's portfolio, objectives, needs or concerns is always counter productive.

Disregarding investor advice or consent: Managers who solicit investor approval and then ignore the outcome undermine trust.

"This one manager sent out a letter to investors asking for permission to invest the remaining capital after they had already lost quite a lot of the capital they'd previously called. The investors all said no. The manager went ahead and put out a capital call anyway. The investors understandably were pretty pissed."

Failure to act in a fiduciary capacity: Managers who prioritize their own interests over those of their investors fail the fundamental test of stewardship. Using subscription lines to overcommit capital without proper oversight leads to visible conflict and really offends investors. Structuring operations to shift what should have been characterized as general partner expenses onto the fund makes the management fee overly profitable while unfairly undermining investor returns. Presenting a fund as standalone when it's actually a sidecar to a larger investment vehicle misleads investors and creates unrealistic expectations. Eliminating advisory oversight (dissolving the advisory committee) during critical phases of development signals governance failure.

"The GP needs to be very clear where their allegiances lie, and that their role is to be a steward of the investors' capital."

Defensiveness: The worst fundraisers were defensive and dismissive, unwilling to accept feedback or acknowledge areas for improvement.

Omissions, incomplete data or failures to deliver requested information:

"I was always frustrated when reports lacked

sufficient projections or depth. … A pitchbook or offering that stopped at 'here's where it is today' left me wanting more."

"I also was frustrated when the manager failed to deliver what was asked for. And I hated it when a manager questioned why I thought I needed the information requested — especially when they tried to talk me out of the need for asking for it. It was hard not to feel insulted and dismissed, as if they thought I didn't know what I was doing."

Lack of respect for — or sensitivity to — time constraints:

"I get that their time is valuable. But so is mine."

> ***"Organizations that tend to take a short-term perspective in relationship-building are making a big mistake."***

Poor reporting lacked context: Reports that presented raw data without comparisons or insights were considered unhelpful. Investors want to understand performance in context.

"We always liked to compare the numbers our managers were reporting to just about everything: NCREIF, ODCE, Nareit, the S&P. We especially wanted to see comparisons to their original underwriting, subsequent projections and their budgets. The worst just reported what happened without any basis for comparison. There was no sense of relative performance, no sense of accountability to what they originally said they were going to do."

Expecting immediate results: Too often managers grew impatient and started to push the process forward too fast. They were completely ignorant about the investor's decision-making process or time frames. This could instantly cool or put an end to a developing relationship.

"Organizations that tend to take a short-term perspective in relationship-building are making a big mistake."

Posing: The words "genuine," "authentic," "respectful" tended to come up a lot in these conversations.

"Managers who acted as if they had a close relationship with me when we had only met once or twice at a PREA or VIP meeting always seemed awfully inauthentic to me."

Lack of curiosity or genuine interest in the investor: Investors expected managers to be curious.

"They didn't ask enough questions about what the investor needed, or wanted, or thought."

Lack of respect for colleagues: Staff disliked those senior executives who tended to ignore or show disrespect to a junior member in a meeting — whether it was one of the senior executive's own colleagues or a junior member of the investor's staff.

"Hierarchical structures were off-putting. Meetings where the senior executives dominated the discussion and showed a lack of respect for the marketing professionals in the room — the people who had set up the meeting — were always viewed negatively. We always felt bad for those people and questioned the leadership skills of the senior execs who treated them this way."

Getting too far into the weeds:

"We weren't going to be running the data centers; we weren't going to be installing our own servers and selling time; we were only going to be renting space in our data centers to the biggest brand name users. We didn't want or even need to know all the technical details of how the interior workings of these facilities operated. Managers who insisted on going too far into the weeds with us just ended up boring us, wasting our time and losing our business."

Other red flags:

Lack of transparency.

Unwillingness to share information with investors.

Governance structures that limit investor's oversight.

Pitching irrelevant strategies.

"Understanding the constraints and political climate under which I was operating always was key for me. Pitching ESG to someone like me, who operated in a highly charged conservative political environment, always reflected incredibly poor judgement, incredibly poor preparation on the manager's part. It was a clear sign to me that the manager wasn't sufficiently interested in me and the challenges I had to deal with on a daily basis to warrant continuing to pursue a potential relationship with them. When there was no genuine interest or empathy, it pretty much spelled the end of the road for that manager."

Additional observations

Trust was central to everyone. Beyond portfolio alignment, trust and personal rapport were the most important keys to determining fit for almost everyone.

"It's not just about performance, but about being open and proactive — especially when things go wrong."

Gut instincts play a huge role in decision-making for both consultants and investors.

"Whenever we went against our gut, we ended up getting burned."

"Do I really feel I can have a tough conversation with this partner, and can we relate or not?"

Both investors and consultants flagged arrogance and lack of humility as major turnoffs.

"You're not doing me a favor by letting me invest with you."

Investors and consultants alike also tended to appreciate managers who could explain complex investment strategies and investment structures clearly.

"Don't tell me how the watch is made. Just tell me what time it is."

Consultants particularly valued managers who were open to coaching and feedback.

"We spent a lot of time consulting with people on their presentations."

Introducing new ideas:

"Innovation was always welcome, but new investment ideas had to be able to outperform existing portfolio holdings — and be scalable."

"A new idea may have had intellectual appeal to us, but if it lacked the ability to adequately scale or deliver returns that would exceed our benchmark, we almost always would take a pass."

It can take a village:

"Particularly with larger investors, success often depends on having someone available on the investor's staff who is willing and able to 'run with the ball.' Sometimes even the best ideas can get sidelined due to staff bandwidth issues."

"Investment decisions at larger organizations rarely rest on the shoulders of a single individual. Subsequent meetings with larger groups often were needed to build consensus and validate the initial staff member's interest. Managers needed to understand the investor's internal decision-making process and win over the hearts and minds of the broader team."

Some investors and consultants wanted to see strategic leadership from the firm.

"If there's no clear strategic direction from the top, I tend to take a pass."

Consultants emphasized the importance of knowing your audience.

"When it comes to marketing and relationship building, one size definitely doesn't fit all."

A few (very few) investors preferred investing in first-time funds — particularly when offered by an investment manager with a compelling strategy, a strong team and a fully built-out platform:

"It gave you more of an opportunity to negotiate terms and governance provisions."

Handling setbacks: The best managers are upfront when things go wrong, take accountability and offer solutions — even when not in their own best interest.

"We never expected everything to always work out as planned. We expected our managers to make mistakes from time to time. The ones who came to us right away, told us what happened, took full responsibility, learned a lesson and put that lesson into practice, and then did everything they could to take care of our needs and concerns, were the ones that impressed us the most. The ones who would make sure we were reimbursed for mistakes that cost us — those were the ones we were always happy to continue doing business with. It was simply a matter of trust."

Performance metrics: Internal Rate of Return (IRR) figures can be misleading due to financial engineering. Investors prefer taking a deeper dive into how returns are calculated and the actual risks involved.

"One manager presented us with a construction deal in Hawaii, with a projected IRR of 80 percent. But when we looked at it more closely, it was clear

that the 80 percent IRR they were projecting was the result of a lot of manipulation of the underlying assumptions and numbers. When we stripped all of that out, it was just another ordinary high-risk development deal, with the kinds of normal returns you would have expected, given the risks."

Risk identification and mitigation is a top priority for most investors: Investors want thorough risk analysis, including scenario modeling (such as sensitivity analyses and Monte Carlo simulations). Pitches always should include candid discussions about potential downside risks.

Strategic fit is essential: Investors always first assess whether a manager's strategy aligns with their own, including sector focus and willingness to co-invest rather than only offering fund participation. And investor concerns about these issues can vary considerably from investor to investor. Again, doing your homework, asking lots of questions and, most important, listening should all be mission critical.

"Don't tell me how the watch is made. Just tell me what time it is."

Advice for investment managers

Make sure you're sending the right people: Poor people skills can derail potential relationships, regardless of product quality. (Sometimes, it's not the offer; it's the people making it.)

Clarity and purpose: Early clarification of meeting objectives is always appreciated.

Respect for time: Honoring time limits and being concise is critical.

Pitchbook quality: Effective pitchbooks tend to be focused, minimal and used as reference tools — not overloaded with information.

Be patient and compassionate: It is common for investors not to return calls right away.

"Investors are plagued by voicemail overload and competing priorities. Some calls may never get returned. Be persistent in following up, but be careful not to become annoying. It's important to be patient and realize that timing is everything in relationship building. Don't allow yourself to get discouraged and never take it personally; it's not personal — it's simply a matter of time constraints and resource allocation, which are the realities of the business."

Respect matters: Treating staff and investors with respect — regardless of their technical background — builds trust and fosters better relationships.

Why listening is critical: Investors value being heard. Managers should tailor their presentations to investor needs rather than rigidly following their own agendas.

Only pitch what's possible: Avoid pitching products or strategies that aren't likely to beat the investor's benchmark (e.g., ODCE/ODCE plus) or that lack scalability — particularly when pitching larger investors with limited staff resources.

Understand their wheelhouse: Always clarify early on whether your offering aligns with the investor's interests. If not, don't present it.

Ask relevant questions: Don't waste investors' time. Avoid asking questions that could easily be researched before hand, can't really be answered by the investor or are outside the investor's scope.

Consistency and transparency are essential: Materials must match what's being presented verbally; inconsistencies raise credibility concerns.

Pitchbooks presentations should be flexible: Rather than presenting the entire pitchbook, managers should focus on aligning their offerings with the investor's strategy and interests.

Internal audits are vital for investors in joint ventures or with direct property holdings: Investors in these types of vehicles need to conduct regular audits of partnerships (annually) and properties (every three years) to uncover hidden issues and improve processes. These audits then should be shared with investment committees but typically not with boards.

"Relationships are about trust. But you need to trust and verify, because you can't and won't know what you don't know. There almost always were hidden problems lurking behind the woodwork."

"Investment committees understood our process and weren't upset about the problems we'd report to them on a periodic basis. They knew we'd address them and that it was all part of our ongoing investment process. Boards, on the other hand, typically weren't investment professionals and tended to get distressed whenever they learned about problems"

Managers should embrace these audits: Conducting and sharing internal audits — even if they reveal weaknesses — is seen as a sign of integrity and commitment to improvement.

Opportunities missed: Managers need to seek the answers to questions seldom asked.

"Too many managers missed opportunities by not asking us about our portfolio or track record, to see if the opportunities they were offering would outperform or fit into what we already were doing; about failed relationships, and what caused those relationships to fail; about allocation gaps in our portfolio, and whether there was an opportunity for them to help fill those gaps; and our approval processes, to understand our normal decision-making timeframe. We would have been more than happy to talk about these things. But we were seldom asked."

What *not* to ask: Asking these kinds of questions positions you as being more transactional and less relationship-oriented:

"What can we do to get your money?"

"Do you have any money available?"

"What's the next step?"

Most important, be mindful — and respectful — of the role played by the person with whom you are dealing.

"Always use the agreed-upon communication channels and never attempt to subvert or go around those channels. If the staff doesn't want you talking directly to board members or their boss, don't."

"In dealing with staff, follow up but never attempt to pressure the investor into a decision. That always backfires."

"Remember — persistence is appreciated. Harassment is not. "

Don't overcomplicate things: Simplicity, honesty and respect go a long way toward building lasting relationships.

Summary and conclusions

Authenticity and emotional intelligence win: The most effective fundraisers were genuine, empathetic, patient, stable and relationship-focused — not transactional or scripted.

Tailored communication is critical: Investors and consultants valued presentations that were concise, audience-aware and aligned with their specific needs and constraints.

Governance, transparency and fiduciary culture matter: Full disclosure, accountability and a firmwide fiduciary mindset were nonnegotiable for building trust.

Strategic fit and organizational strength: Investors prioritized alignment with portfolio goals, leadership clarity, team depth and succession planning.

Reporting and pitchbooks must be clear and honest: Visual, benchmarked and context-rich reporting was preferred; overloaded or misleading materials were major turnoffs.

Worst practices undermine trust: High-pressure sales tactics, lack of follow-up, disrespect for junior staff and ignoring investor feedback were repeatedly flagged as damaging behaviors.

Appendix

Some of the professionals interviewed provided perspectives on the earliest days of the business, when there were fewer investors and fewer investment managers in the business, and everyone was still learning their craft. Following are a sampling of some of their observations about the business in those early days. Reviewing these can provide the reader with some useful historical perspective.

"There was a lot of trial and error in those early days. Everyone was pretty much making it up as we went along — and not just the clients."

"Early success in sales often came from personality-driven professionals, but over time, those with policy and strategy expertise became more effective."

"Real estate professionals trained into sales roles eventually proved more effective than those recruited from traditional sales backgrounds like Xerox or IBM."

"A blend of policy/strategy and experience actually working a portfolio gradually became more relevant."

"The best presenters in the early days of the business combined real estate expertise with investment structure knowledge, especially during the ERISA era. People who could make real estate come alive were the most effective."

"Developers eventually gained more prominence due to their ability to narrate compelling value creation stories."

"At first, real estate struggled to explain financial dynamics like NOI and Capex, leading to a shift toward IRRs despite their limitations."

"Fit was assessed through the lens of client risk tolerance and storytelling credibility. Presentations were evaluated based on how well they would resonate with clients. We'd ask ourselves: Is this a compelling story that the client will believe? And do I believe it?"

"If you have no past — and most of the early players in the industry had no past — you can only talk about the future. And the future is a little bit nebulous. Seasoned insurance companies had a leg up in the early days because they could offer valuable historical context and research-driven insights. That slowly began to change as more of these recently launched investment management firms gained experience and started to produce competitive track records."

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Founded in 1987, Institutional Real Estate, Inc. (IREI) is a global media firm recognized as a critical nexus for the sharing of industry intelligence, knowledge and insights on the institutional real estate and infrastructure marketplaces through its publications, events and consulting services.

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IREI publishes a diversified portfolio of news publications, special reports and investment guides for the benefit of the global institutional real estate investment community. Each publication provides subscribers with news, insights and perspective on the trends and events shaping the investment landscape in private equity real estate.

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- Visions, Insights & Perspectives (VIP) Infrastructure
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