
Action: That the Nebraska Investment Council Defined Benefit Plans, Cash Balance Benefit Plans, General Endowment, Health Care Endowment, and the Omaha School Employees Retirement System invest the proceeds from the full redemption of the UBS Trumbull Property Fund into the Morgan Stanley Prime Property Fund. Redemptions from the Trumbull Property Fund may be invested short-term in the Blackrock Aggregate Bond Index until the Prime Property Fund can call the capital.

Background

In December 2019, the Council approved a full redemption of the UBS Trumbull Property Fund (TPF). Our plan is to bring a core real estate manager to the February Council meeting to recommend as a replacement.

Morgan Stanley Prime Property Fund

Staff and AON are recommending the redemption proceeds from TPF be invested in the Morgan Stanley Prime Property Fund. Right now, the Prime Property Fund has an entry queue of 1-2 quarters. Therefore, we are also recommending that while we wait in the entry queue, any redemption proceeds be invested short-term in the Blackrock Aggregate Bond Index.

The Morgan Stanley Prime Property Fund is an open-end, diversified Core real estate fund that focuses on major markets for investment. The fund has a long track record dating back to 1973. Prime's performance objective is to achieve an 8-10% gross total return per annum over the long-term.

AON's current rating on the Prime Property Fund is a Buy rating.

Staff met with Josh Myerberg, Deputy Portfolio Manager, and Megan Golder, Executive Director, in our office. Mr. Myerberg presented an overview of the fund including key fund statistics, sector diversification, and performance for the fund.

Meeting Materials

Included in the meeting book in consideration of this investment is:

- Morgan Stanley Prime Property Fund - AON Memo
- Morgan Stanley Prime Property Fund - AON Investment Summary
- Morgan Stanley Prime Property Fund - Presentation