Successful Emerging Manager Strategies for the 21st Century

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In a previous article, I pose a straightforward question: “Given the evolution and growing popularity of emerging investment managers, why aren’t these entrepreneurial firms more broadly represented in institutional investor portfolios?” The purpose of this article is twofold: (1) to attempt to answer that question, and (2) to promote increasing investment in emerging managers by sharing portfolio allocation strategies and best practices.

Definitions of “emerging manager” vary depending on the goals of the investor. In 2008, “emerging manager” most often means “small” in terms of assets under management ($2 to $3 billion or less), independent (at least 51% employee-owned) and sometimes, but not always, firms owned by women or minorities.

Often, these are smaller companies created by an exodus of talent from larger investment firms. “Emerging Managers,” says Joseph J. Haslip, Assistant Deputy Comptroller for Pensions for the New York City Retirement Systems, “have the same talent, educational background and acumen as the people at the larger firms, but they have opted to be more entrepreneurial.” The City of New York, through its five different pension funds, has invested over $6 billion, or approximately 6% of assets totaling $114 billion, with emerging managers through diverse investment strategies.* (For more on New York City’s innovative, diversified approach to pursuing emerging manager returns, see separate box on Page 5.)

More Possibilities For Alpha

U.S. plan sponsors invest with emerging managers to capture their alpha potential, to provide more opportunities for newer and smaller firms, and to access new talent and future manager capacity.

Many studies over time have shown that small, employee-owned investment companies outperform their larger competitors. It has almost become a truism in our industry that the greater the assets under management (AUM), the less the likelihood of outperformance. The inverse relationship between assets and alpha (assets up, alpha down) is part of the reason that many global investment firms position themselves as a group of small “boutiques” operating under the umbrella of their parent company.

Says a public-fund investment officer and longtime Progress client, “When managers reach a certain level of assets under management, their risk becomes losing assets under management as opposed to market risk.” Consistent with this perspective, this public plan’s domestic-equity portfolio is almost totally indexed—except for two strategic allocations to active managers: Progress and another firm. Through strong performance and additional asset awards of more than $270 million, the Progress portfolio has grown from $100 million to more than $1 billion during the past 10+ years.

* As background for this article and a companion article, we conducted interviews with selected Progress clients. We share their views here, with permission, on a for-attribution and, in some cases, not-for-attribution basis.
Practical and Psychological Barriers To Entry

Despite the proven performance advantage of emerging firms, barriers to entry remain high. From a purely practical standpoint, it is impossible for many institutional investors to invest a meaningful percentage of assets with any one emerging firm. Restrictions often disallow pension plans from making an investment that would become more than a certain percentage of any one manager’s asset base. Usually this limit ranges from 10% to 30%. For example, if a new firm has $100 million under management and a plan sponsor wants to invest $100 million, that plan would become 50% of the emerging manager’s asset base, which may be disallowed by the plan’s risk policy.

Research by Progress, however, has shown that only 15% out of 312 new mandates from $1 to $99 million—allocation sizes for which many emerging firms would qualify—were awarded to emerging firms. This means that practical hurdles such as asset size constraints are far less significant than psychological hurdles.

The investment business is, by temperament and history, conservative and slow to change. Many investors still perceive bigger as being quite simply better, and many still prefer the known—the household names—to unknown start-ups run by entrepreneurs (many of whom, paradoxically, chose to exit employment with the household names). Whether consciously or not, these investors still would rather partake of the predictable mediocrity of a global fast-food franchise than take a calculated risk on a small, unknown diner with very possibly spectacular food.

Traditional pension fund consultant screens—e.g., minimum size and/or product track record—by definition reinforce conservative biases against emerging firms. Such screens exclude from competition talented new firms with significant performance potential. This is true even when these emerging firms are led by experienced industry professionals with strong prior performance track records.

None of these barriers has blocked the inevitable march toward change. Consultants may not always proactively perform due diligence on emerging managers and recommend the best emerging managers to their clients. But that hasn’t stopped their clients from coming to them with requests for information about emerging managers. During a panel discussion at a Progress annual conference, a noted consultant said, “Pension fund consultants as a group are not the leading edge. We are the trailing edge. I got into [emerging managers] when my client said, ‘we want to do this.’”

“Part of The Mainstream of Investing”

More and more institutional investors are coming to their consultants and saying, “We want to do this. We want to find some good emerging managers.” In fact, there is solid fiduciary support for initiating an emerging manager investment strategy. In our own Progress multi-manager portfolios, for example, 24 of 29 equity and fixed-income funds have outperformed their respective benchmarks since inception for the period ending May 31, 2008, including several with more than 10-year track records.

While plan sponsors frequently refer to these strategies as “programs,” these portfolios are just like any other equity, fixed-income or non-U.S. investment strategy. Says New York City’s Mr. Haslip, “The real goal of these programs is to get to a point of comfort where you don’t need separate programs, to where they become part of the mainstream investing.”

Consistent with this view, emerging strategies are evaluated by the same investment metrics plan sponsors use to evaluate any other investment strategy—e.g., accepted industry investment benchmarks and standard risk metrics such as tracking error and information ratio targets. Similarly, plan sponsors should expect their staffs, consultants or manager-of-managers to conduct the same due diligence and use the same criteria to evaluate emerging firms that they use in evaluating well-established companies with substantial AUM.

The primary objective of an emerging manager investment strategy is to deliver investment returns. The additional benefits of diversity, manager diversification, opportunity and inclusion, while important policy considerations, nonetheless are secondary.
Strategies for Investing in Emerging Managers
Investment Vehicles

EXHIBIT 1 - The following is a representative list of known U.S. Pension Plans that have committed assets to emerging manager strategies:

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<tr>
<th>U.S. Pension Plans</th>
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<td>New York City Fire Department Pension Fund</td>
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<td>Alameda County Employees’ Retirement Association</td>
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<td>Arkansas Teacher Retirement System</td>
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<td>California Public Employees’ Retirement System</td>
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<td>Exelon Corporation</td>
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<td>Los Angeles City Employees’ Retirement System</td>
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<td>Los Angeles County Employees Retirement Association</td>
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<td>Maryland State Retirement &amp; Pension System</td>
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<td>Massachusetts Bay Transportation Authority Retirement Fund</td>
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<td>Michigan Department of Treasury</td>
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<td>New York City Board of Education Retirement System</td>
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<td>New York City Employees’ Retirement System</td>
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As emerging managers clear barriers to entry by providing competitive performance, they have grown significantly in number. Not only have their numbers increased, but today there also are many different ways to invest in emerging firms:

Manager-of-Managers (MoM)

Investing in emerging firms through a manager-of-managers has become popular for many reasons. The manager-of-managers approach allows a plan sponsor to invest in a portfolio of emerging managers through a
single point of contact, the MoM. This eliminates the concern noted earlier about becoming too large a percentage of any one manager’s asset base. Just as an investor can achieve diversified exposure to micro-cap stocks through a fund, investors achieve diversified exposure to emerging managers through a manager-of-managers. And likely broader, more timely and efficient exposure than a plan sponsor might achieve otherwise through hiring directly—especially if this is the investor’s initial foray in this strategy.

For many plan sponsors with limited resources, hiring emerging managers becomes possible by using a manager-of-managers, for several reasons. The manager-of-managers performs due diligence in selecting managers, monitors the managers and rebalances the portfolio, hiring and firing as necessary. The MoM also may provide expert assistance to emerging firms in managing their businesses, just as general partners assist portfolio companies in a private equity portfolio.

Private Equity Fund-of-Funds

Similar to MoMs in the public markets, several plan sponsors have used a private equity fund-of-funds as a means of implementing emerging manager investment strategies. Various Illinois public pension plans, the Virginia Retirement System and the Teacher Retirement System of Texas are among those that have taken this approach in private equity.

Multiple Manager-of-Managers Relationships

A new development is for investors to hire more than one manager of emerging managers with the goal of achieving specialist focus on complementary investment mandates. For example, one large public plan sponsor has as many as four MoMs, each focused on an equity sub-asset class and/or fixed income. These investment strategies are small-cap (Russell 2000 benchmark); non-U.S. equity (MSCI EAFE) and fixed income (custom Lehman Aggregate/Emerging Markets Index); and two MoMs focused on broad equity markets (Russell 3000 benchmark). The New York City Retirement Systems, the New York State Common Retirement Fund, the California State Teachers’ Retirement System, the Los Angeles City Employees’ Retirement System and several corporate plans are among those that have hired multiple MoMs to implement their respective emerging manager programs.

Direct-Hire

Working with a general consultant, a specialist consultant or with pension staff alone, several pension plans have chosen to hire emerging managers directly. Examples include the Minnesota State Board of Investment and the Illinois State Board of Investment. Several plans, including the nation’s largest public plan, the California Public Employees’ Retirement System, as well as the Los Angeles County Employees’ Retirement Association, have also adopted direct-hire emerging manager programs focused on alternative strategies such as private equity, hedge funds and real estate. In these situations, a plan will invest with an emerging firm as part of its overall asset allocation in the same way that it invests with other external managers. Due to the relative size of emerging managers, the plan in some cases will hire emerging firms for somewhat smaller asset mandates than for other active external managers. As the emerging firms perform, the plan can award larger asset mandates, or even fund more than one product from the same emerging manager.

MoM and Direct Hire

The Illinois Municipal Retirement Fund, the State Universities Retirement System of Illinois, New York City Employees’ Retirement System and Shell Pension Trust are all examples of plan sponsors that have hired emerging managers directly and used a manager-of-managers. This dual strategy assures a complementary, comprehensive approach using different criteria for direct versus MoM hiring. For example, in one case a public plan invests directly with larger emerging firms (those with more than $1 billion in AUM), while investing through its MoM in a multi-manager portfolio of emerging firms with $1 billion or less.

Direct Equity Investment

In this model, a plan sponsor takes a hybrid venture capital/public markets approach to investing with emerging managers, providing both operational capital and assets to manage. The plan sponsor potentially receives the benefit of both investment returns on the managed assets and venture capital-like returns when the plan exits its direct equity investments in the emerging managers. The plan will work with an external partner to form an investment fund (partnership or limited liability company) through which the partner can make both the direct private-equity investment in the firm as well as provide assets to manage on the plan sponsor’s behalf.
A Nuanced, Thoughtful Approach to Capturing Emerging Manager Alpha
“Because domestic equity isn’t what it used to be”

As part of its strategy to pursue alpha in non-traditional ways, New York City’s pension plans have invested in emerging managers across asset classes and through diverse investment vehicles, including multiple manager-of-managers and direct relationships.

Not content to accept industry definitions by rote, New York City has created two emerging manager classifications for investing in the public markets: “emerging managers”, with zero to $1 billion under management and “developing managers”, with $1 billion to $5 billion. “We want to have more exposure to smaller managers in the public marketplace because domestic equity just isn’t what it used to be,” says Deputy Comptroller for Pensions, Joseph Haslip.

In private equity, New York City defines “emerging” as zero to $400 million under management in first- and second-time funds; in real estate, emerging is defined as zero to $300 million in first- and second-time funds. New York City also is in the process of evaluating a seeding program to make direct private-equity investments in emerging managers.

Providing seed money to emerging managers adds business risk to investment risk, and therefore must be weighed carefully, says Mr. Haslip. He nonetheless views seeding as “an integral component to keep a stable of top-performing talent in the market.”

The California Public Employees’ Retirement System (CalPERS) has championed this form of emerging manager investment strategy through its first-of-a-kind Manager Development Program (MDP). Since 2000, Progress has had the privilege of working in partnership with CalPERS, along with another service provider, in implementing the CalPERS MDP strategy. One of the most successful MDP graduates from the Progress portfolio to the CalPERS mainstream lineup is Arrowstreet Capital, a Boston-based, quantitative, international equity manager.

Strategies for Investing in Emerging Managers
Asset Allocation Considerations

Once the plan sponsor has decided upon the investment vehicle or vehicles, the next key decision is, “Where will our emerging manager allocation fit within our total portfolio?”

There are many different approaches to answering this question, depending upon the structure of the plan, the proposed allocation to emerging managers and the plan’s philosophy of managing assets.

The exhibit below provides a simplified representation of different ways to allocate assets to emerging managers within the portfolio as a whole.

**EXHIBIT 2 - Emerging Managers Asset Allocation Models**

**Part of the Total Allocation**

**Model 1**
An equity/fixed-income allocation including emerging managers as part of the overall portfolio.

**A Separate Allocation**

**Model 2**
A separate emerging manager portfolio mimics the asset allocation of the overall portfolio.
In Model 1, emerging managers are included in the total asset allocation along with non-emerging managers, consistent with the investor’s definition of emerging—e.g., $2 billion or less. Model 2 shows a different approach, whereby emerging managers are considered a discrete portfolio designed to mimic the asset allocation of the overall, non-emerging portfolio.

The Maryland State Retirement and Pension System and, more recently, the New York State Common Retirement Fund have developed a best-in-class approach to investing with emerging managers. Both plans created guidelines requiring the MoM to choose only the emerging managers with the highest performance potential, regardless of the benchmark. The goal of these plans is to assemble, through the MoM, a best-in-class emerging manager portfolio as opposed to an optimized fund. The plan sponsor then adjusts the portfolio as a whole for any unintended asset class or factor bets (e.g., size) generated by the best-in-class portfolio.

Strategies for Investing in Emerging Managers
10 Best Practices

We have considered different investment vehicles and asset allocation strategies. Now let’s consider 10 best practices to facilitate alpha capture by emerging manager investing.

1. **Do not treat emerging managers as separate or different—it’s all about alpha.** In the article preceding this one, I discussed the origin of the term “emerging manager program” as a euphemism for “entitlement program for investment companies owned by women and minorities.” Emerging managers today include talented money managers regardless of ethnicity, and the success of these programs in meeting diversity initiatives can be attributed directly to defining “emerging manager” in the broadest possible terms. In setting up an emerging manager investment program, investors should keep a sharp focus on what matters most: strong, long-term investment performance for pension plan beneficiaries.

2. **Incorporate the emerging manager program into the plan’s overall investment policy.** As with all aspects of plan governance, the goals and fiduciary philosophy of an emerging manager program should be incorporated into the plan’s investment policy statement. Regardless of whether the policy mandates an explicit portfolio allocation (see Best Practice #3 below), the emerging manager strategy should become institutionalized as a long-term part of the plan’s mission. It should not be subject to bureaucratic whim or the loss of institutional memory that may occur due to turnover in a plan’s trustees, staff or consultant. Says New York City’s Joseph Haslip, “We thought it was critical to memorialize this [commitment to emerging managers] in our investment policy. … Sometimes you wonder why these pension plans didn’t have these [emerging manager] programs before, and it’s no secret why they didn’t. Oftentimes, people don’t approach investing in emerging managers with the same level of openness to new ideas.”

3. **Let performance dictate the size of the allocation over time.** Some emerging manager programs initially establish a fixed allocation for the program—e.g., 1% to 3% of the total portfolio. Placing a ceiling on the initial emerging manager allocation may make sense as a clearly delineated starting point. But we believe that the asset size of the program should reflect its success, and many investors have grown their programs systematically as a function of positive performance. “The reason we allocate more money to our emerging managers is simply because they do well,” says one of our clients, the chief investment officer of a mid-sized financial institution. “Our attitude is, ‘Emerging managers are competitive—put them on the list!’ As opposed to, ‘We want to reserve some portion of our allocation specifically for emerging managers.’” Says another Progress client, an investment manager at a large corporate plan: “We have dedicated a portion of our plan to emerging managers. But there is no set dollar amount or percentage. We want to keep our strategy open-ended, to be able to invest more or less in emerging managers based on the opportunities available.” This approach allows emerging manager allocations to grow not according to some arbitrary ceiling or quota but according to merit and opportunity.

4. **Be proactive in considering emerging manager sources of alpha—do not rely on your consultant.** You are a pension plan sponsor. One morning, you will be sitting at your desk and your general pension plan consultant will call you and say, “Have you considered emerging managers? They could add a lot of alpha to your plan’s portfolio.” And then you will wake up and realize it was all a dream. The reality, as one consultant has pointed out, is that plan sponsors—not their consultants—are promoting investment in emerging managers—and rightfully so. To initiate or expand an emerging manager strategy, you will need to be proactive and explicitly directive with your traditional consultant—or work with a specialist consultant or manager-of-managers.
5. **Be dynamic about the size definition of “emerging manager.”** In an earlier article, I discussed how a key definition of “emerging”—size of AUM—has evolved with the growth of the asset management industry. In 1990, when Progress began investing in emerging managers, we defined “emerging manager” as $500 million or less. Today, we define it as $2 billion or less, and some of our corporate clients have raised their emerging manager ceilings to $3 billion and even to $5 billion, depending upon the asset class (e.g., higher for fixed-income managers due to different scale considerations). It is important to not let the definition that guides your program remain static when the world around you is changing. When the largest asset managers have grown to more than $1 trillion in AUM, for example, you may need to ask, “Is $2 to $3 billion still an appropriate ceiling for an emerging firm?” By raising this ceiling with the growth of industry AUM, institutional investors broaden opportunities for smaller companies while broadening their own universe of alpha possibilities.

6. **Clarify how the definition of “emerging” should operate.** Another implementation issue that raises compliance concerns is how to treat firms that grow beyond the size definitions written into program guidelines. Many plan sponsors have chosen to define emerging managers as those with less than $2 billion in AUM. But what happens when a firm grows successfully beyond that $2 billion ceiling? Is that firm still an “emerging manager”? Our experience at Progress suggests that the firm should still be considered emerging. If such a firm does not maintain its emerging status, then it may fall into a no-man’s land too large for the emerging program but too small to be considered for direct-hire or stand-alone mandates. This results in a program anomaly that doesn’t create a “win/win” for clients or emerging firms. The key here is whether the emerging firm is below the AUM ceiling at the time of funding the manager for the program. An emerging firm that outperforms and demonstrates the capacity to gather and manage additional assets should be awarded additional assets—not penalized. As long as that firm fits the asset size definition at time of funding and continues to outperform, our preference is to allow that firm to remain in our programs regardless of subsequent AUM size—or to graduate the firm to direct-hire assignments with our clients. (Also see Best Practice #10 on the merits of establishing a clear graduation policy at the start of an emerging manager investment strategy.)

7. **Stimulate product innovation through program flexibility—fund emerging products as well as emerging firms.** As the emerging manager universe has matured, emerging firms have become adept at developing new investment products. A Progress study shows that, although many of these firms are new and/or smaller in size, most are led by veteran investment industry professionals (see sidebar opposite). Notwithstanding their professional experience and relative success in performing and gathering assets, many firms nonetheless still face significant barriers to entry when introducing new products. This holds true even for companies with total firm AUM far in excess of the typical $2 billion to $3 billion ceiling. We, therefore, believe that the next generation of emerging manager program design should allow more flexibility to:

   (1) seed new products of funded emerging firms (subject to the new product successfully meeting the investor’s due diligence criteria)

   (2) seed and include emerging products from firms larger than the program’s AUM ceiling, where such products are otherwise competitive and suitable for a client portfolio

   (3) fund other innovative investment strategies in an “opportunistic” portfolio component

In no event should this opportunistic component of an emerging manager strategy represent more than 10% to 15% of total emerging manager program assets.

Progress has had positive experiences funding the second generation of products from existing funded firms with proven alpha engines, personnel and processes. We also have had positive experiences funding the second

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**Experienced Emerging Manager Professionals**

- More than 50% of founders or portfolio managers have 11 to 25 years of industry experience before founding their firms
- 76% of key portfolio managers have 16 to 25 years of experience
- 62% of key portfolio managers have more than 25 years of experience

Based on a 2006 study of the Progress funded-manager universe of 62 emerging firms.
generation of emerging firms—i.e., start-ups where the founder comes from a previously funded Progress emerging manager. Many of our emerging program mandates, however, unfortunately do not allow us the flexibility to exploit these potential alpha opportunities on behalf of our clients. We believe that greater program flexibility not only would provide more alpha possibilities, but also would stimulate product innovation and make emerging managers more competitive for the future.

8. **Extend emerging manager allocations across asset classes.** In most existing emerging manager programs, asset allocation has been focused largely on U.S. equities, followed by U.S. fixed-income, U.S. private-equity and, more recently, non-U.S. equities. Hedge funds (many of which by definition are emerging firms) are likely the next asset class where institutional investors will seek emerging talent. The experience and quality of emerging manager portfolio managers, as well as the breadth of products now available from emerging firms, support the extension of emerging manager program allocations to all asset classes:

   **Traditional Asset Classes**
   - U.S. and non-U.S. equities—across styles and market capitalizations
   - U.S. and non-U.S. fixed-income—including core, core-plus, high-yield and convertible strategies

   **Alternative Asset Classes**
   - Private Equity—venture, buyout and distressed
   - Real Estate—core and opportunistic
   - Hedge Funds—including absolute-return, market-neutral and long/short strategies

9. **Consider whether to invest directly or via an emerging manager-of-managers, or both.** Just as investors dipping a toe into the waters of private equity often start with a fund-of-funds, many plan sponsors initiate their investment in emerging managers through a multi-manager portfolio run by a manager-of-managers. This makes sense because selecting emerging managers is time-consuming and requires a different skill set from that used to select established firms. Many of the traditional performance-measurement techniques simply do not apply or must be applied with considerable insight.

   In making the decision to invest directly or through a manager-of-managers, a plan sponsor needs to consider the size of its staff and its capacity to monitor additional smaller managers. As discussed earlier in this article, plan sponsors choose the MoM approach as an efficient way to gain access to multiple emerging managers through a single, expert point of contact.

   As emerging managers grow their assets with continued strong performance, the plan sponsor gains familiarity and comfort with certain managers and may decide to hire those managers directly (see Best Practice #10 below). Rather than terminate the MoM relationship, many of these plans graduate the top-performing managers to direct-hire relationships, while retaining the MoM as an evergreen conduit to fresh new talent.

10. **Establish a well-defined graduation policy at the start of the program.** A clearly planned graduation or exit strategy for emerging firms can create an even more compelling motivation for emerging managers to perform and grow. Over the years, we have urged our clients to think about this important component of their emerging manager investment strategies at the program inception stage—i.e., before they have a need for new talent. Perhaps the most compelling reason for an emerging firm’s transition to a stand-alone mandate is a client’s need for an emerging firm’s style-specific capabilities in its overall asset allocation. Another primary benefit for a plan sponsor is to leverage its emerging manager talent pool to mitigate future manager-search expense by using top-performing firms for future direct hire or mainstream assignments.

   In addition to asset growth, the graduating manager should have sufficient tenure in the program and sufficient operational, reporting and compliance infrastructure to instill confidence in its ability to manage a significantly larger mandate. Many institutional-client stand-alone mandates for external managers range from $100 million to $500 million. Several Progress clients have successfully incorporated a graduation component as an integral part of their emerging manager programs. The Public School Teachers’ Pension & Retirement Fund of Chicago and the New York State Common Retirement Fund are leading examples, with multiple emerging direct-hire graduates.
The Opportunity To Compete = An Opportunity For Everyone To Win

Emerging managers do not want special favors. They want an opportunity to compete. But the biggest barriers to true competition are still fear of change and comfort with the status quo. If pension plans continue to invest primarily in household names based on this comfort factor—and our research shows that they do—they are doing an immense disservice to their beneficiaries. Despite the proven performance track record of these talented, entrepreneurial firms, institutional investment portfolios on average have invested only a small percentage—typically 1% to 3% of their assets—in emerging investment strategies.

At Progress, our mission is to change this practice by crafting innovative alpha strategies that deliver value for investors. In partnership with our clients, our vision is “to become the company most known for changing the face of the investment management industry.” By removing unneeded barriers and granting emerging managers the opportunity to compete, institutional investors democratize capital, thereby making the investment industry as a whole more robust and competitive—a better future for all.

Based upon investment performance and sound fiduciary policies, our hope is that more institutional investors will embrace these proven investment strategies. As a result, when we build successful emerging manager investment programs, we create “win/win/win” synergies—for clients and their beneficiaries, for emerging managers, and for our industry.

This is the second in a series of publications by Progress designed to share the firm’s experience in creating emerging manager investment programs. We want to help the investment industry better understand the issues, strategy options and best practices associated with developing emerging manager programs. For more information, please contact Mona Williams, Executive Vice President, Marketing & Client Service (mwilliams@progressinvestment.com).

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Footnotes
1. For a complete bibliography of studies documenting the performance advantage of investing with emerging managers, please visit www.progressinvestment.com.
2. White, Thurman, “Small Isn’t What It Used to Be: The Changing Face of Smaller Investment Firms,” June 2003, the Institute for Fiduciary Education.
3. Ibid.
4. “What the Research Tells Us About Emerging Managers,” panel discussion at the 2004 Progress Plan Sponsor and Emerging Manager Conference, Scottsdale, AZ. Note: This panelist has co-authored one of the most comprehensive, authoritative studies on emerging managers: “A Review of Developing Managers and Developing Manager Programs,” April 2003, by Allan Emkin, Neil A Rue, CFA, Jeremy Thiessen and Sandra Parker. This paper is available under “Research” at www.pensionconsulting.com.
7. Ibid.