



Texas Municipal earmarks \$600m for real estate over next three years

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The Texas Municipal Retirement System is to invest \$600m (€544.5m) in real estate over the next three years.

The US pension fund, according to a board meeting document, will invest \$200m each year until 2019.

Texas Municipal, advised by RVK and already invested in Europe and the US, will invest the capital in funds.

Funds could be a mixture of core, value-add or opportunistic strategies across a variety of property types.

The pension fund is also planning to re-evaluate its core real estate portfolio and rebalancing initiatives.

Texas Municipal had a total core real estate portfolio valued at \$957.2m as of the end of 2015.

Capital has been invested in Harrison Street Core Property Fund, Stockbridge Smart Markets Fund, USAA Eagle Real Estate Fund, Invesco US Income Fund and Abacus Core Income Fund I.

Its debt core funds are Walton Street Real Estate Debt and H2 Credit Partners.

Texas Municipal is also planning to research real estate co-investment opportunities more extensively.

The pension fund has yet to structure an investment in real estate using this strategy.

The co-investment could be on a specific property owned by another manager or investor, or a fund.

This strategy could be with a manager it already has a relationship with, or a new manager.