A sheep in wolf's clothing

Wandering thoughts on the GP to LP transition

by Anthony Breault

After 18 months of wearing wolf's clothing, following more than 16 immensely satisfying years as an LP, I candidly admit there have been remarkably few surprises or breathtaking "Aha!" moments of crystal clarity for new discoveries upon participating in how the sausage is made. While it is common practice within the LP community to hire from the GP ranks, the transition from institutional LP back to GP seems to be a rarer occurrence. Although many good folks have blazed this trail before and shall continue to do so. In the spirit of answering the question I jokingly get asked most often — "What's it like to not be the most popular person in the room anymore?" — I feel inclined to share some wandering thoughts on both sides of the GP-LP fence and perhaps use up what fleeting moments of infamy remain. Bear with me.

For a backdrop, which shouldn't come as any surprise to those who have known me over the years, I can't state enough how incredibly unique it is to be an institutional LP. The opportunity to perch at the top of the capital stack and directly interface with the industry's leading talent is an absolutely humbling experience. Deeply humbling. I don't think a single day went by in which I didn't learn something new. The sheer volume of information, across the full breadth and width of all asset classes and geographies, that flows through the hallways of an institutional LP on any given day is staggering. For the GP readers that have contemplated crossing over to the LP side at some point within your career: do it. I couldn't endorse doing so with more conviction. If one embraces the big picture, is motivated by being a part of something bigger than you and not simply a paycheck, there may be nothing more rewarding than the opportunity to take on the tremendous responsibility and accountability granted to an LP as a steward of capital on behalf of their stakeholders. Short of my military career, in which the camaraderie and team spirit are incomparable, being an LP may be the most satisfying career choice I never saw coming. It was hard not to go to work with a smile each and every day.

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To my prior LP peers, I'd only say embrace the incredible role you get to play in the investment industry. Demonstrate humility yet take pride in what you are attempting to accomplish with both your internal teams and external investment partners. Have an open door for learning. Each meeting is a chance to better hone your portfolio considerations, investment preferences and directions you hope to take with your capital. You have a job unlike any other. Savor every moment of it until your calling takes you elsewhere.

For the GP community, I think what few pearls of wisdom I may have for advice or counsel have already been repeated relentlessly at conferences, industry gatherings and shouted out over the rooftops time and again by LPs. Perhaps, if I had to dole out one sliver of advice, it would simply be to work harder at active listening and intellectual curiosity when engaging with the LP community. A good pitch or presentation, annual meeting, or general



introduction includes some degree of two-way dialogue and interpersonal engagement. The revolving door of constant pitches or introductions LPs accept as part of the job generally adheres to an hour in length. There may be an overwhelming desire to use every minute of that hour to talk as much about your firm as possible. Resist that temptation. Please. A good LP that embraces the markets might take 200–400 pitches a year. Believe me, they've seen it all. They've heard it all. I can't tell the number of meetings I had in which a GP threw down the flipbook, took a deep breath, and then went on a 59-minute spiel before the next breath was taken. It felt like a tornado blew into the office and out again. Take the time to be genuinely curious and ask the LP what their portfolio challenges, aspirations and goals may be. Learn a little bit about the individual and organization sitting across from you. I can't imagine there are many decisions to invest with a GP based upon a single meeting, so take the long approach. Engage the audience, create a two-way interplay and make the meeting objective about getting the invite to come back again.

What's the biggest surprise going from LP to GP? Speaking only for myself, it's been the reaffirmation that we may work within one of the most connected and incredibly friendly asset classes that exist. Assuming one has some degree of self-awareness and built professional relationships based on genuine respect and trust, those connections are still there. Those GPs and LPs that I have had the good fortune of calling friends and partners are still friends and partners. If anything, removing the mantle of being an LP has afforded me a chance to have a deeper and more honest dialogue with many, for which I am grateful. The real estate community, by and large is genuine and filled with good souls who truly enjoy each other's company. Yes, my jokes have suddenly become much less funny, c'est la vie!

I won't repeat Geoff Dohrmann's famous closing of "Be careful out there." But I will take a riff on it. Have fun out there. It's a good world filled with good folks. Keep your friends close. Recognize the peers and competitors you respect and nurture the truly real relationships you have. Enjoy the career satisfaction that comes from having made the choice to be in our little real estate bubble. We are in a unique industry. Not because we invest in the property markets, but because of the people that do so. Try finding a better crowd of competitors that, more often than not, treat each other as collaborators and friends. I dare you. Perhaps that means it's a wacky world out there. ❖

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