

Real Estate Spotlight is the monthly newsletter published by Preqin packed full of vital information and data, all based on our latest research into the private equity real estate industry. Real Estate Spotlight combines information from our online products Real Estate Online and Real Estate Capital Sources, as well as the newly released 2011 Preqin Sovereign Wealth Fund Review.

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FEATURED PUBLICATION:

The 2011 Preqin Sovereign Wealth Fund Review



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# Real Estate Spotlight

March 2011

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### Collective Significance: Sovereign Wealth Funds Investing in Real Estate

The aggregate total assets of sovereign wealth funds is increasing but where are they investing this capital?

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You can download all the data in this month's Spotlight in Excel. Wherever you see this symbol, the data is available for free download on Excel. Just click on the symbol and your download will begin automatically. You are welcome to use the data in any presentations you are preparing, please cite Preqin as the source.



# Collective Significance: Sovereign Wealth Funds Investing in Real Estate

As the aggregate total assets of sovereign wealth funds continues to increase Clare Bowden provides an overview of sovereign wealth funds and examines their real estate investment preferences.

Since the release of last year's Prequin Sovereign Wealth Fund Review, the aggregate total assets of all sovereign wealth funds worldwide has continued to increase at a significant pace, in spite of the slow recovery of the developed economies and continued uncertainties surrounding the performance of certain asset classes.

The growth in aggregate assets under management also occurred against a backdrop of some SWFs continuing to be subject to capital withdrawals by their respective governments in order to cover fiscal shortfalls. Having halved in size over 2009, Russia's Reserve Fund was once again used to balance the federal budget over the course of 2010, with its total assets standing at \$25.4 billion at the start of 2011, compared to \$60.5 billion at the beginning of 2010. In December 2010 alone, \$15.4 billion was taken from the fund by the federal government to cover spending. Other SWFs, such as Chile's Pension Reserve Fund, have not received as much in contributions from their governments as in previous years.

Despite the issues for some of these institutions, the collective influence of sovereign wealth funds as a global group of large investors has once again increased over the last year. As Fig. 1 shows their aggregate assets under management now stands at nearly \$4 trillion, an 11% increase from last year. The 2010 figure of \$3.59 trillion also represented an 11% increase on the previous year.

The current political unrest in the Middle East and North Africa, however, could have consequences for the future directions of certain sovereign wealth funds that are controlling significant amounts of assets. The Libyan Investment Authority (LIA), for example, has an estimated \$70 billion in total assets. In recent

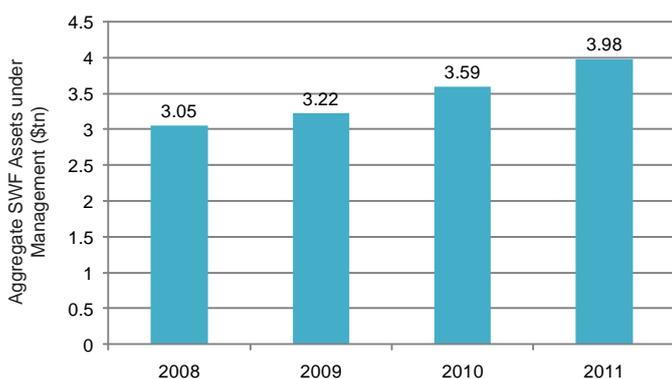
years following the easing of sanctions and restrictions imposed by the international community, LIA had been able to invest more freely in assets around the world in order to manage Libya's oil revenues. Whether its mandate would change as a result of any political change in the country remains to be seen. Other countries undergoing political discord that have significant sovereign wealth funds include Algeria and Bahrain; collectively these institutions have hundreds of billions of dollars in assets, and any changes in their investment policies or mandates could be felt widely.

## Different Horizons

In addition to their position as a highly significant group of investors within the institutional investor landscape, sovereign wealth funds tend to have longer-term investment horizons than other types of investor and generally do not have to meet liabilities in the same way that a pension fund or insurance company, for example, has to. SWFs are thus often better equipped to commit more significant proportions of their portfolios to longer-term and alternative investments.

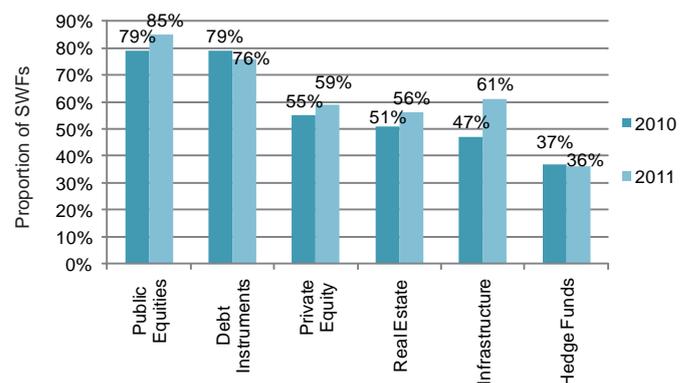
Despite the slow but steady return of institutional investor confidence, fundraising for many types of alternative investment has remained relatively depressed. For this reason, and given the difference between the investment objectives of sovereign wealth funds compared to other types of investor, SWFs represent an important and large potential source of capital for alternative investment managers. As predicted by Prequin last year, more sovereign wealth funds diversified into alternative investments over the course of 2010. As Fig. 2 shows, 56% of sovereign wealth funds are known to invest in real estate, while a further 5% are considering making real estate investments. This is an

Fig. 1: Aggregate Sovereign Wealth Fund Assets under Management, 2008-2011



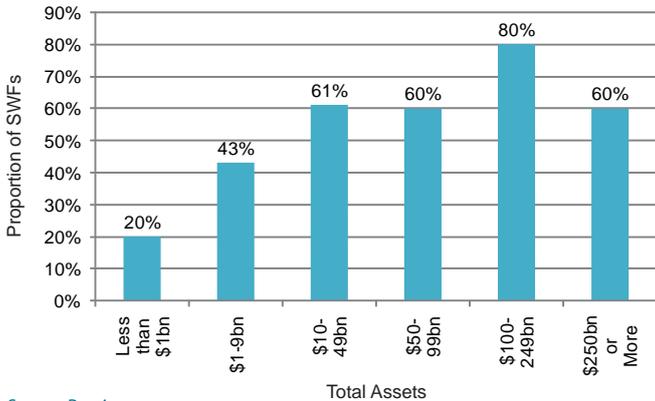
Source: Prequin

Fig. 2: Proportion of Sovereign Wealth Funds Investing in Each Asset Class, 2010 vs. 2011



Source:

Fig. 3: Proportion of Sovereign Wealth Funds Investing in Real Estate by Total Assets



Source: Preqin

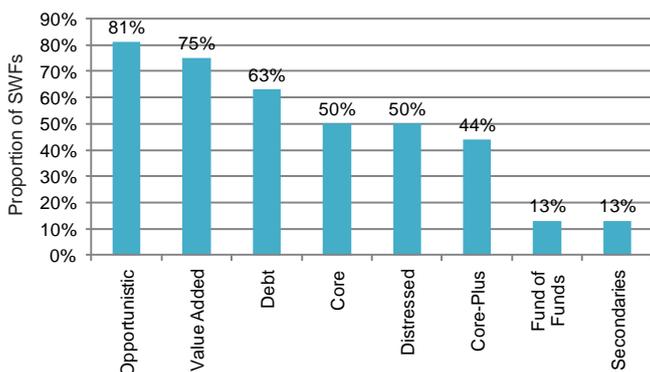
increase from the proportion in 2010, when 51% of sovereign wealth funds were invested in the asset class. The sovereign wealth funds that invest in real estate have an average target allocation of 8.3% and an average current actual allocation of 7.1% to the asset class.

There is a correlation between the size of a sovereign wealth fund and investment in real estate; the larger a sovereign wealth fund, the more likely it is to invest in the asset class. This is illustrated in Fig. 3, which shows that only 20% of sovereign wealth funds with total assets of below \$1 billion invest in real estate. This is in stark comparison to SWFs with \$10 billion or more in total assets, more than 60% of which invest in real estate.

Method of Real Estate Investment

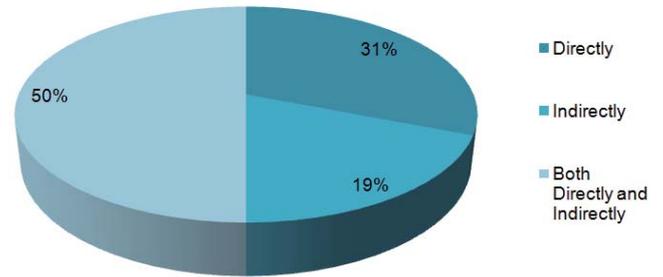
Half of the sovereign wealth funds that invest in real estate do so both directly and indirectly, as shown in Fig. 4, while 31% invest in the asset class solely through direct investments and 19% solely gain exposure to real estate as a result of indirect investment. Abu Dhabi Investment Authority is an example of a sovereign wealth fund with an extensive real estate portfolio, consisting of direct and listed investments as well as commitments to private real estate funds. The sovereign wealth fund plans to continue investing in the asset class and will commit to private real estate funds during 2011.

Fig. 5: Private Real Estate Fund Strategy Preferences of Investing Sovereign Wealth Funds



Source: Preqin

Fig. 4: Proportion of Sovereign Wealth Funds Investing in Real Estate That Invest Directly and/or Indirectly



Source: Preqin

Of the sovereign wealth funds that gain exposure to real estate through both direct and indirect investments, 62% make indirect investments through both listed real estate and private real estate funds. The remaining 38% invest indirectly through private real estate funds, but do not have exposure to listed real estate investments. One such example is State General Reserve Fund of The Sultanate of Oman, which has an extensive real estate portfolio and plans to continue investing in the asset class directly during 2011.

Half of sovereign wealth funds that only invest in real estate indirectly do so solely through private real estate funds and half invest solely through listed real estate. Wyoming State Treasurer's Office is an example of a sovereign wealth fund which only invests in the asset class through private real estate funds. It has committed to vehicles of varying strategies, including core, debt and value added.

Private Real Estate Fund Strategy Preferences

The more risky opportunistic and value added vehicles are those most favoured by sovereign wealth funds that invest through private real estate funds. As shown in Fig. 5, 81% and 75% of such investors have a preference for these strategies respectively. Ireland's National Pension Reserve Fund is an example of a sovereign wealth fund that has committed to numerous opportunistic and value added vehicles. Its commitments include the value added AREA Domestic Emerging Markets Fund, which targets urban residential and retail redevelopment opportunities, and the opportunistic vehicle Fortress Investment Fund V, which targets investments backed by real estate in North America and Western Europe.

Over half of SWFs that invest in private real estate funds have a preference for debt, core and distressed vehicles. Fund of funds and secondaries remain the least preferred strategies and only 13% have an interest in each of these strategies. However, both strategies have seen an increase in popularity from last year, when 7% of sovereign wealth funds that were investing in private real estate had a preference for fund of funds and 3% had a preference for secondaries.



## Outlook

Considering the large amounts of capital available to SWFs, and their distinct sets of investment preferences, they can play a significant role in the alternatives sector. Despite the difficulties experienced in many real estate markets around the world, a larger proportion of sovereign wealth funds now invest in real estate than ever before, and some have been extremely active in the asset class. It is likely that we will continue to see an increasing proportion of sovereign wealth funds moving into real estate investments in the coming year. For example, Norway's Government Pension Fund – Global, one of the largest SWFs in the world, is set to complete its first real estate investment in early 2011 and plans to make further investments in the asset class over the course of the year.

## Data Source:

The 2011 Preqin Sovereign Wealth Fund Review provides a detailed analysis of sovereign wealth funds and their activity in all different asset classes. It contains vital analysis plus full profiles for all 59 sovereign wealth funds worldwide.

For more information, sample pages and to order a copy of the Review with a 10% pre-publication discount, visit:

[www.preqin.com/swf](http://www.preqin.com/swf)

The poster features a background image of a modern skyscraper with a glass facade, viewed from a low angle looking up. The text is centered and overlaid on the image. At the top, the iGlobal Forum logo is displayed, consisting of a stylized orange arc above the text 'iGlobal Forum'. Below this, the event title '2ND ANNUAL REAL ESTATE MEZZANINE FINANCE SUMMIT' is written in a large, bold, serif font. Underneath the title, the date and location 'April 27th | New York' are listed. A white rounded rectangle contains the 'KEY TOPICS:' section, which lists ten bullet points. At the bottom of the poster, a white banner contains the website address 'www.iglobalforum.com/remezz2'.

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KEY TOPICS:

- New Developments for the Real Estate Mezzanine Market for 2011
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- Exploring Real Estate Mezzanine Finance Options and Examples
- Originating, Creating and Pricing Real Estate Mezzanine Debt
- Outlook for Distressed Debt Products
- Managing Mezzanine Finance Investments in Real Estate
- Analysis of Recent Real Estate Mezzanine Loan Deals
- Legal and Title Aspects of a Subordinated Real Estate Mezzanine Loan
- The Future of the Real Estate Mezzanine Loan Market

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# 2011 Preqin Sovereign Wealth Fund Review

The 2011 Preqin Sovereign Wealth Fund Review has been completely updated and expanded to include new information on every area of sovereign wealth fund investment portfolios. It represents a vital purchase for all fund managers, consultants, advisors and other finance professionals seeking to gather intelligence on this reclusive group of investors.

Highlights of this year's edition include:

- Overview of the SWF market
- Separate analysis sections identifying all key trends and patterns for SWF activity in each asset class
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- Full profiles for all SWFs



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# Performance Spotlight: Europe-Focused Funds

Using data from Preqin's new European private equity real estate performance benchmark, Andrew Moylan examines returns achieved by Europe-focused real estate funds.

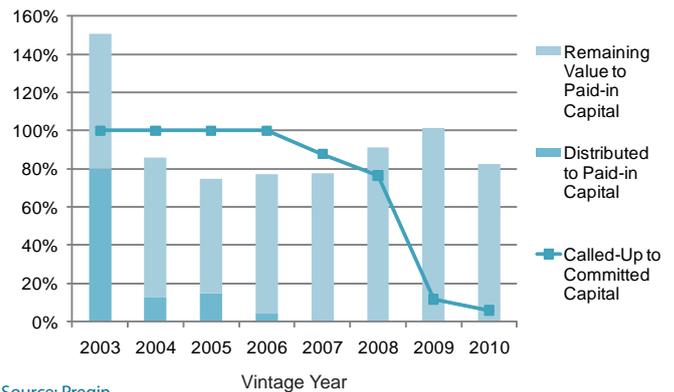
Fig. 1 shows the median ratios of called-up to committed capital, distributed to paid-in capital and remaining value to paid-in capital by vintage year for Europe-focused real estate funds. It illustrates how performance for funds of 2005, 2006 and 2007 vintage years has been particularly affected by the economic downturn. Many of these funds would have bought assets at peak prices and their portfolios will have been subject to significant declines in value. The called-up to committed capital figures for 2009 and 2010 vintages also show that many managers of European funds have remained on the sidelines and not deployed their capital. The median called-up figure for 2009 vintage funds is 11.6% of commitments, while the figure for 2010 vintage funds is just 5.8%.

The net multiple is used by investors to determine how much they have gained, or are likely to gain, on an investment. It does not take into consideration the timings of call-ups and distributions, but does provide a good indication of fund performance. Fig. 2 shows the median net multiple and weighted net multiple for Europe-focused funds of vintage years 2003 to 2010. Funds of 2003 vintage have performed strongly, with a median multiple of 1.65x. Funds of subsequent vintage years have been affected by the economic downturn, however, with the median net multiple dropping below 1.0 for all vintage years between 2004 and 2008.

Although there is not a substantial difference between the median and weighted net multiples, the median multiple exceeds the weighted multiple in five of the eight vintage years shown in Fig. 2. This suggests that smaller funds have tended to outperform larger vehicles.

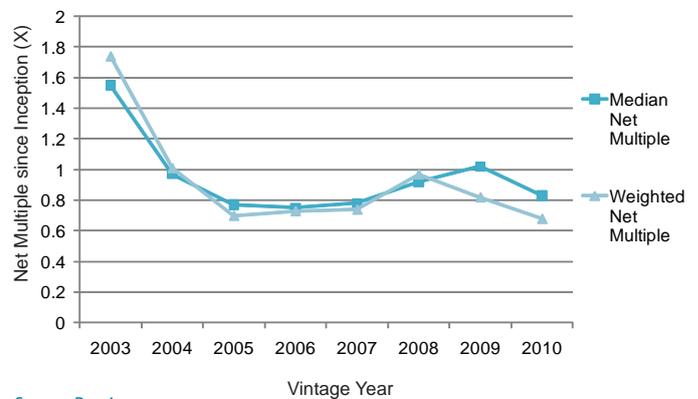
The median IRRs of Europe- and North America-focused funds by vintage year are compared in Fig. 3. Europe-focused funds of 2002 and 2003 vintage years are not currently producing returns as high as North American funds. The median IRR figure for 2002 vintage North American funds is 14.7% compared with 7.6% for European funds. For 2004 to 2007 vintages, however, European fund performance has not suffered to the same extent as North American fund performance. The median IRR for North America-focused funds is negative for 2005 to 2007 vintage years. In contrast, European funds are narrowly in positive territory. While data for European funds of 2008 vintage is somewhat limited, the importance of selecting managers that are able to navigate the current real estate markets is clear. The best performing fund currently has an IRR of 9.7%, while the worst has a -53.5% IRR.

Fig. 1: Median Called-Up, Distributed and Remaining Value Ratios for Europe-Focused Private Equity Real Estate Funds by Vintage Year



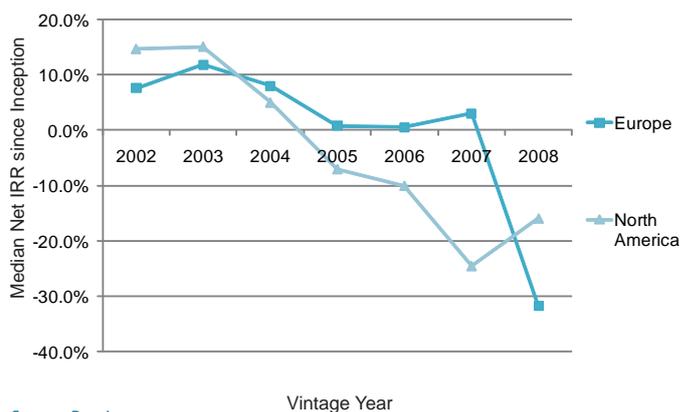
Source: Preqin

Fig. 2: Median and Weighted Net Multiples for Europe-Focused Private Equity Real Estate Funds by Vintage Year



Source: Preqin

Fig. 3: Median Net IRRs by Vintage Year: Europe-Focused vs. North America-Focused Private Equity Real Estate Funds



Source: Preqin

**Data Source:**

Preqin's Real Estate Online now features a Europe-focused private equity real estate performance benchmark. Individual fund-level performance data is available for over 800 funds globally.

For more information please visit: [www.preqin.com/reo](http://www.preqin.com/reo)



# Real Estate Fundraising

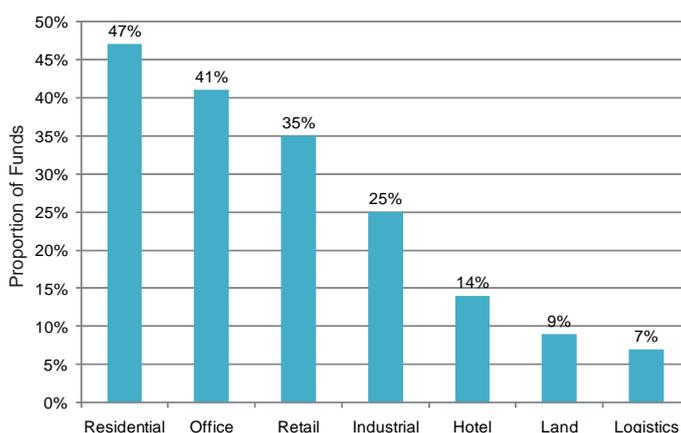
Andrew Moylan examines the real estate fundraising market.

Fig. 1: Real Estate Funds in Market

	North America	Europe	Asia and Rest of World	Overall
Number of Funds	241	115	90	446
Aggregate Target Size (\$bn)	77.2	41.1	28.7	147
Average Target Size (\$mn)	330	384	358	349

Source: Preqin

Fig. 2: Property Types Targeted by Real Estate Funds in Market



Source: Preqin

Fig. 3: Notable Europe-Focused Real Estate Funds in Market

Fund	Firm	Target Size (mn)	Strategy	Focus
Aberdeen European Shopping Property Fund	Aberdeen Asset Management: Property Division	1,500 EUR	Core-Plus and Value Added	West Europe
Legal & General Limited Price Inflation Income Property Fund	Legal & General Property	750 GBP	Core	UK
UK Property Income Fund	Legal & General Property	700 GBP	Core and Core-Plus	UK
ING REIM European Shopping Centre Fund	ING Real Estate Investment Management	750 EUR	Core-Plus	Europe
AltaFund Value-Add I	Altaarea Cogedim	600 EUR	Value Added	France
AXA Development Venture III	AXA Real Estate Investment Managers	600 EUR	Opportunistic	West Europe
BGV IV	Real I.S.	600 EUR	Core and Core-Plus	West Europe
Niam Nordic V	Niam	600 EUR	Opportunistic	Nordics, Baltics
Duet European Real Estate Debt Fund	Duet Private Equity	500 GBP	Debt	Europe
Pramerica Real Estate Capital I	Pramerica Real Estate Investors	500 GBP	Debt	West Europe

Source: Preqin

Fig. 4: Recently Closed Real Estate Funds

## Madison International Real Estate Liquidity Fund IV

**Manager:** Madison International Realty  
**Geographic Focus:** US, UK, West Europe  
**Property Types:** Industrial, Office, Multi-Family, Retail, Hospitality  
**Target IRR (Net):** 15-20%  
**Final Close:** 510 USD (Feb-2011)  
**Placement Agents:** Forum Capital Partners, Mercury Capital Advisors  
**Law Firm (Fund Formation):** Clifford Chance  
**Sample Investors:** Employees' Retirement System of Texas

## Banyan Tree China Hospitality Fund

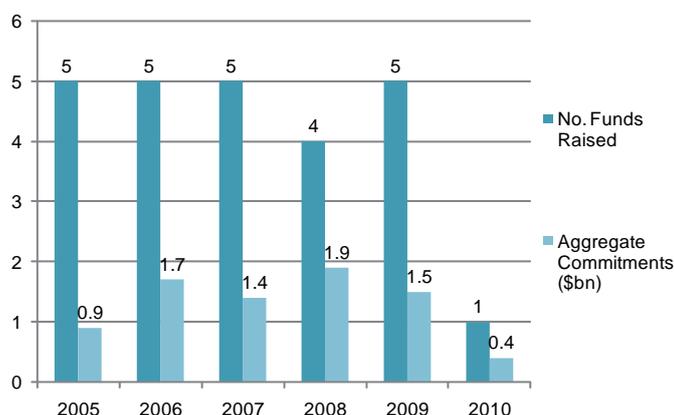
**Manager:** Banyan Tree Holdings  
**Strategy:** Opportunistic  
**Geographic Focus:** China  
**Property Types:** Hospitality  
**Final Close:** 1,070 CNY (Jan-2011)



# Managers of South American Funds

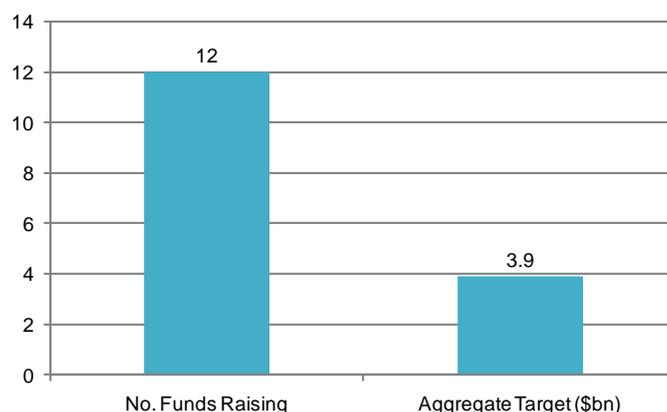
Andrew Herman looks at firms managing real estate funds focused on South America.

Fig. 1: Annual South America-Focused Fundraising, 2005 - 2010



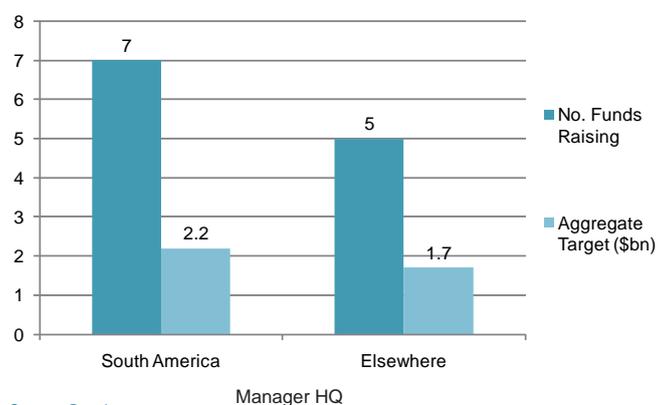
Source: Preqin

Fig. 2: South America-Focused Funds on the Road



Source: Preqin

Fig. 3: Location of Firms Managing South America-Focused Funds on the Road



Source: Preqin

## Data Source:

### Real Estate Online

Preqin's industry-leading product Real Estate Online features detailed profiles on 68 managers of South America-focused funds.

For more information please visit: [www.preqin.com/reo](http://www.preqin.com/reo)

Fig. 4: 10 Largest Firms by Capital Raised for South America-Focused Real Estate Funds in the Last 10 Years

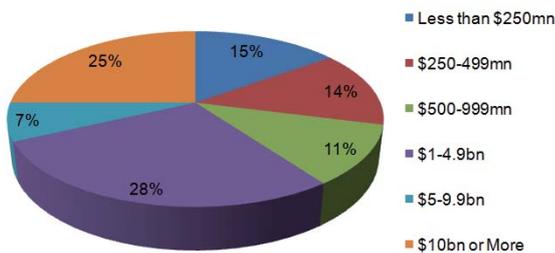
Firm	Total Capital Raised for South America-Focused Real Estate Funds in Last Ten Years (\$bn)	Country Headquarters
Pramerica Real Estate Investors	1.5	US
Prosperitas Investimentos	1.2	Brazil
Brookfield Asset Management	0.8	Canada
Tishman Speyer	0.7	US
Paladin Realty Partners	0.7	US
Hines	0.6	US
GTIS Partners	0.5	US
Pátria Investimentos	0.4	Brazil
AMB Capital Partners	0.4	US
Vision Brazil Investments	0.3	Brazil

Source: Preqin

# Investor Spotlight: US-Based Investors in Core Real Estate Funds

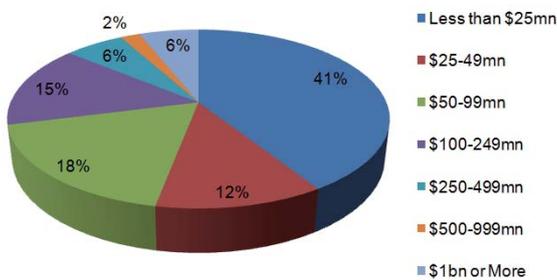
Farhaz Miah looks at US-based investors in core real estate funds.

Fig. 1: Breakdown of US-Based Core Fund Investors by Assets under Management



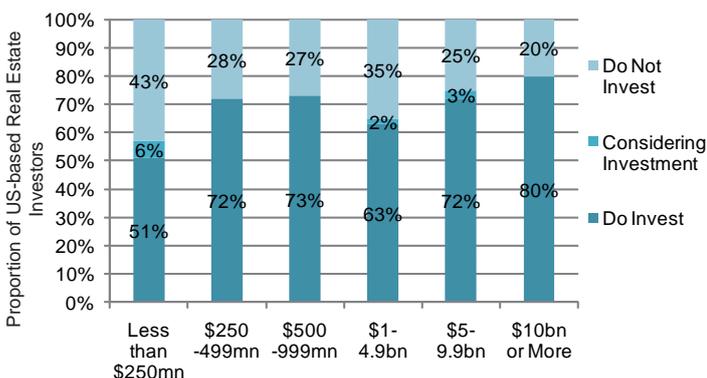
Source: Preqin

Fig. 2: Breakdown of US-Based Core Fund Investors by Core Real Estate Fund Allocation



Source: Preqin

Fig. 3: Proportion of US-Based Real Estate Investors That Invest in Core Real Estate Funds by Assets under Management



Source: Preqin

**Key Facts:**

**Average Allocation to Real Estate:** \$751mn (6.9% of Total Assets)

**Average Target Allocation to Real Estate:** \$1,073mn (8.2% of Total Assets)

US-based core real estate fund investors constitute a significant proportion of the private real estate investor universe. Fig. 1 shows the breakdown of US-based core investors by assets under management. The largest real estate investors, those with total assets of \$10 billion or more, comprise almost a quarter of US-based investors in core real estate funds which includes such diverse participants such as the \$80 billion public pension fund New York State Teachers' Retirement System and \$30 billion asset manager Angeles Investment Advisors. Investors with \$1-9.9 billion in total assets make up 35% such as the \$8.5 billion private pension fund Shell Retirement Fund (US) and \$6.6 billion endowment plan University of Michigan Endowment. Investors with less than \$1 billion in assets under management, such as the \$900 million University of Illinois Foundation, collectively account for 40% of US-based core fund investors.

More than half of US-based investors in core real estate funds have an allocation to such funds of less than \$50 million, as Fig. 2 shows, including investors such as the Rotary Foundation and the YMCA Retirement Fund which have an allocation of \$20 million each to core funds. 12% allocate \$250 million or more to core funds, such as the \$70.3 billion public pension fund New Jersey State Investment Council which has an allocation of \$352 million to core funds.

Fig. 4: Other Real Estate Investment Preferences of US-Based Core Real Estate Fund Investors



Source: Preqin



Fig. 3 shows the proportion of US-based real estate investors in each size group that invest in core real estate funds. The smallest group of investors, those with total assets of less than \$250 million, are least likely to invest in core real estate funds, with 51% investing and 6% considering investment. In contrast, the largest group of investors, those with \$10 billion or more in total assets, are most likely to invest in core funds, with 80% making investments in this type of fund such as the \$114.7 billion insurance company Genworth Financial.

Fig. 4 shows that the majority of investors in core funds will also commit to funds with different strategies. 84% of US-based core fund investors also commit to higher risk/return profile private equity real estate funds such as the \$7 billion public pension fund Montana Board of Investments. 2% would consider doing so, while 14% do not invest in this type of fund. 43% of US-based core investors also allocate to listed real estate, with 56% not investing. Only 29% of US-based core investors make direct real estate investments, with 71% choosing not to invest directly.

#### Data Source:

##### Real Estate Online

Preqin's industry-leading product Real Estate Online features detailed profiles on 316 US-based investors in core real estate funds.

For more information please visit: [www.preqin.com/reo](http://www.preqin.com/reo)



# Conferences Spotlight

Conference	Dates	Location	Organizer
Fund Management Regulation 2011	30 - 31 March 2011	London	Infoline
2nd Real Estate Mezzanine Finance Summit	6 April 2011	New York	iGlobal Forum
Real Estate Investor Summit: Dealmakers Conference	13 - 15 April 2011	Miami	Opal Financial Group
2nd Alternative Investments Summit	04 May 2011	New York	iGlobal Forum
5th Real Estate Private Equity Summit	18 May 2011	California	iGlobal Forum
Private Healthcare World Asia 2011	13 - 17 June 2011	Singapore	Terrapinn

## 2nd Real Estate Mezzanine Finance Summit

**Date:** April 27, 2011

**Location:** New York

**Organiser:** iGlobal Forum

iGlobal Forum is pleased to announce the 2nd REAL ESTATE MEZZANINE FINANCE SUMMIT due to take place on April 27th, 2011 in New York City. The event will explore in greater depth the recent developments in the real estate mezzanine loan industry as well as unique investment strategies and opportunities. Learn about the year's performance in the real estate lending market as well as how to protect yourself when entering into this type of agreement. Leading experts will discuss the latest competitive issues along with which mezzanine loan financing techniques are now being used. This senior-level forum will provide the perfect platform to meet face-to-face and network with Mezzanine Finance Lenders, Private Mezzanine Loan Firms, Private Equity Firms, Institutional Real Estate Investors, Investment Banks, Distressed Debt Firms and Investors, Hedge Funds, Real Estate Asset Management Firms, Developers, Real Estate Owners and Investors to address the future of the Real Estate Mezzanine Loan industry.

**Information:** ([website](http://www.iglobalforum.com/remezz2)) [www.iglobalforum.com/remezz2](http://www.iglobalforum.com/remezz2)



# Investor News

Forena Akthar takes a look at the latest real estate investor news.

## Pictet & Cie to commit to private real estate funds in 2011

The CHF 253 billion bank plans to commit to five private real estate funds, including Europe-focused funds, in 2011. It will make its next commitment in Q2 2011. Pictet & Cie does not have a set allocation to the asset class as it invests on behalf of its clients. It gains exposure to the real estate market solely through investments in private real estate funds and committed to the asset class in 2010. The bank previously had a preference for opportunistic private real estate funds but is now increasing its focus on value added and core vehicles. It does not invest with first-time managers or commit to funds of funds.

## Royal Liver Group considers maiden allocation to private real estate in next 12 months

The GBP 3.2 billion insurance company is considering a maiden allocation to the private real estate arena in the next 12 months. It will consider committing approximately GBP 40 million to several property unit trusts (PUTs) in order to gain exposure to London-focused office properties and UK-focused retail properties. It will also consider gaining international exposure through core funds.

## ATP Real Estate to make 12-15 private real estate transactions through its newly launched investment platform ATP Real Estate Partners II

The EUR 2 billion asset manager has revealed the investment strategy of its newly launched investment platform ATP Real Estate Partners II. The platform will invest a total of EUR 700 million to indirect real estate during the life of the investment program. ATP Real Estate's previous platform, the EUR 1 billion ATP Real Estate Partners I, was fully invested in 2010 following a EUR 38.7 (USD 50) million commitment to Townsend Group's USD 500 million consortium which specifically provides access to Brookfield Asset Management's Real Estate Turnaround Consortium. ATP Real Estate Partners II will make 12-15 real estate transactions with a focus on club deals and joint ventures. Although there will be scope to commit to funds of a value added and opportunistic strategy, ATP is unlikely

to actively seek large funds alongside multiple institutions.

## VGZ Vermögensverwaltungs-Gesellschaft Zurich to continue investing in Asian private real estate in next 12 months

The EUR 250 million asset manager is hoping to invest in Asian private real estate funds in the next 12 months, having made such commitments last year. However, this will depend on its clients' needs and whether fresh capital is made available to it. As such, the number of funds and the amount of capital it commits to real estate funds in the next 12 months will also depend on the mandates it receives. The asset manager invests predominantly in Asia and believes investments in Asian real estate will provide superior returns in the long-term compared to other regions.

## California Public Employees' Retirement System (CalPERS) to form real estate 'legacy portfolio' and focus on core US real estate through separate account/joint venture partnerships

The USD 228.5 billion CalPERS will target a 75% weighting to low-risk core investments through separate account/joint venture partnerships and reduce exposure to higher-risk opportunistic investments. CalPERS will therefore divide its real estate portfolio into a 'legacy' and a 'new portfolio'. The 'legacy portfolio' will comprise of investments that are not aligned with the new role assigned to real estate, which is to maintain steady long-term returns. The 'new portfolio' will include assets that reflect the new investment strategy. The 'legacy' and 'new' portfolios would each be managed by 5-10 managers through separate account/joint venture structures. The pension fund expects the legacy portfolio to be liquidated by 2019. Core separate accounts/joint ventures will be the pension fund's preferred investment method due to moderate fees and alignment of interests, although investment in operating companies, club deals and open-ended vehicles could be considered.

## Sampension to commit EUR 100 million to private real estate funds in 2011

The DKK 120 billion public pension fund plans to commit EUR 100 million across two private real estate funds in 2011 and will target US-focused funds. It believes

that US-based multi-family real estate is a particularly attractive investment in the current economic climate. Thereafter, the public pension fund plans to increase its allocation to Asia-focused funds. Sampension has previously committed to six Asia-focused funds and its main motivation for doing so has been to achieve diversification and a reasonable risk adjustment. The public pension fund has an 8% target and current allocation to real estate. It invests in the asset class directly and through private real estate funds.

## SEB Pension will consider committing to private real estate funds in 2011

The SEK 15.5 billion private sector pension fund will consider committing to private real estate funds in 2011 should an interesting opportunity arise. SEB Pension committed SEK 100 million to three Sweden-focused private real estate funds in 2010. The private sector pension fund invests in real estate opportunistically, and does not have a target allocation to the asset class. It has an actual allocation to real estate of 7%, which is split 80% to direct real estate and 20% to private real estate funds. It has previously committed to private real estate funds with a focus on Eastern Europe, Central Europe, Sweden and China.

### Data Source:

#### Real Estate Online

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