

This report is an excerpt from: **Preqin Quarterly: Real Estate, Q3 2012**. To download the full report please visit: [https://www.preqin.com/docs/quarterly/RE/Real Estate Quarterly Q3 2012.pdf](https://www.preqin.com/docs/quarterly/RE/Real_Estate_Quarterly_Q3_2012.pdf)

Recently Launched Funds

Though value added and opportunistic funds make up the majority by number of the 35 funds launched in Q3 2012, some of the largest funds launched by target size are targeting debt investments. Real estate debt funds have become increasingly common, with many fund managers looking to take advantage of opportunities within the sector.

Fig. 25 shows that all of the top seven funds launched are targeting debt investments either primarily or in addition to another strategy. The largest of these is Blackstone Real Estate Debt Strategies II, which has a \$4bn target and focuses primarily on high yield lending on commercial real estate. M&G Investments launched two debt funds in the quarter; M&G Real Estate Debt Fund II focuses on mezzanine debt and M&G Real Estate Debt Fund III targets senior loans.

Value added funds were the most numerous fund type in terms of the number of funds launched, with 15 value added offerings targeting commitments of \$2.7bn. Nine opportunistic funds were launched with an aggregate target of \$2.5bn.

The \$13.5bn aggregate target of funds launched in Q3 2012 represented a small increase on the aggregate target of funds launched in Q2 2012, when 37 funds began fundraising, with a combined target of \$12.8bn. It is, however, notably less than the \$18.5bn targeted by the 63 funds launched in Q1 2012. This may be a reflection of the difficult fundraising environment seen throughout 2012 to date.

Preqin's Real Estate Online features constantly updated information on funds coming to market. Want to see the latest funds to start raising capital? Please visit: www.preqin.com/reo

Fig. 23: Quarterly Closed-End Private Real Estate Funds Launched, Q1 2011 - Q3 2012

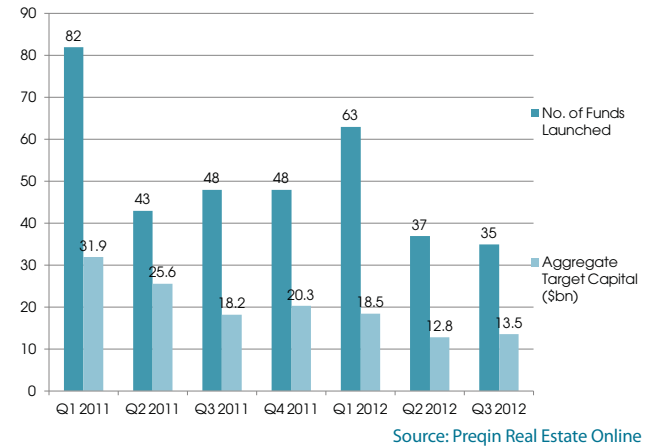


Fig. 24: Closed-End Private Real Estate Funds Launched in Q3 2012 by Primary Fund Strategy

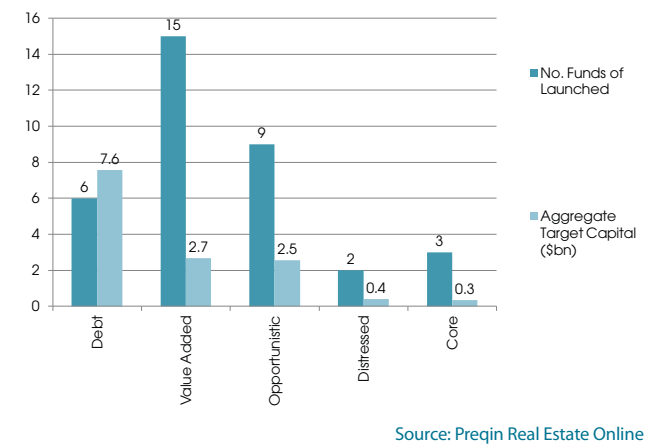


Fig. 25: Top 7 Real Estate Funds Launched in Q3 2012 by Target Size

Fund	Firm	Target Size (mn)	Strategy
Blackstone Real Estate Debt Strategies II	Blackstone Group	4,000 USD	Debt
CRE2	AXA Real Estate	1,000 EUR	Debt
Europa Fund IV	Europa Capital	750 EUR	Opportunistic, Debt
Dune Real Estate Fund III	Dune Real Estate Partners	850 USD	Opportunistic, Debt
M&G Real Estate Debt Fund III	M&G Investments	500 GBP	Debt
M&G Real Estate Debt Fund II	M&G Investments	500 GBP	Debt
RCG Longview Debt Fund V	RCG Longview	500 USD	Debt

Source: Preqin Real Estate Online