

# Preqin Research Report

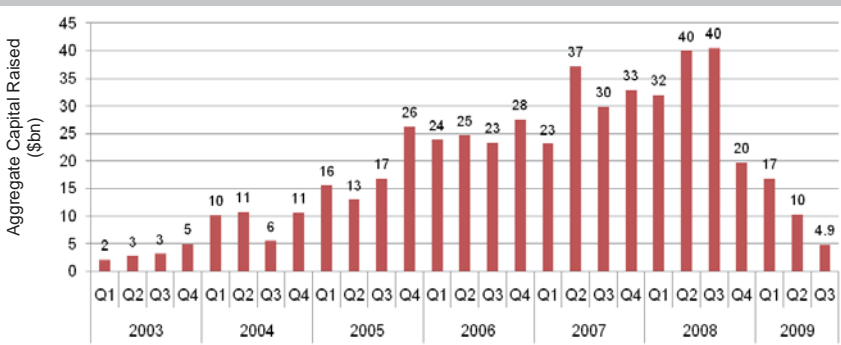
## Q3 2009 Real Estate Fundraising Update

### Preliminary Results

**Fig. 1: Top Ten Largest RE Funds to Hold a Final Close in Q3 2009**

| Fund  | Firm                            | Type                          | Amount Closed (Mn) | Manager Country | Fund Focus |
|---|---------------------------------|-------------------------------|--------------------|-----------------|------------|
| Dune Real Estate Fund II                        | Dune Capital Management         | Debt and Opportunistic        | 800 USD            | US              | US         |
| Broadway Real Estate Fund III                   | Broadway Partners               | Value Added                   | 700 USD            | US              | US         |
| Secured Capital Japan Real Estate Partners IV   | Secured Capital Japan Co.       | Opportunistic                 | 525 USD            | Japan           | ROW        |
| CapMan Hotels RE                                | CapMan Real Estate              | Core-Plus                     | 333 EUR            | Finland         | Europe     |
| Partners Group Global Real Estate 2008          | Partners Group                  | RE Fund of Funds              | 275 EUR            | Switzerland     | Europe     |
| Banyan Tree Indochina Hospitality Fund          | Banyan Tree Holdings            | Opportunistic                 | 283 USD            | Singapore       | ROW        |
| JP Morgan Greater Europe Opportunistic Property | JP Morgan Asset Management      | Opportunistic                 | 178 EUR            | US              | Europe     |
| IndoSpace Logistics Partners                    | Future Capital Holdings         | Opportunistic                 | 250 USD            | India           | ROW        |
| Principal Green Property Fund I                 | Principal Real Estate Investors | Opportunistic and Value Added | 214 USD            | US              | US         |
| Vision Brazil Real Estate Opportunities Fund I  | Vision Brazil Investments       | Opportunistic                 | 209 USD            | Brazil          | ROW        |

**Fig. 2: Quarterly Global RE Fundraising, Q1 2003 - Q3 2009**



Private equity real estate funds worldwide raised just \$4.9 billion in Q3 2009, the lowest fundraising total for a quarter since Q3 2003, when 17 funds raised \$3.2 billion.

As Fig. 3 demonstrates the number and aggregate target of private equity real estate funds in market has been declining throughout 2009. Although the number of funds in market is falling, the market remains extremely competitive. The aggregate target of all funds on the road represents significantly more than the total raised during 2008, the most successful year ever for private equity real estate fundraising.

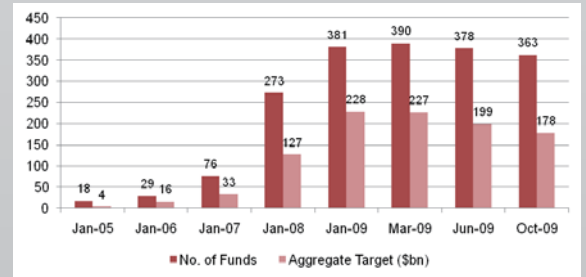
In 2009 to date, just 18% of fund managers have achieved or exceeded their fundraising target, with 82% of funds falling short of their equity goals. In 2007, 79% of

funds matched or exceeded their target size.

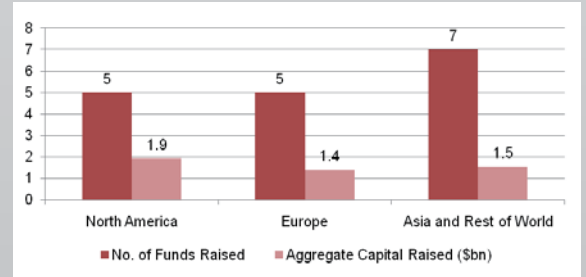
North American funds accounted for the largest proportion of capital raised during Q3 2009, with five funds raising an aggregate \$1.9 billion. Seven funds targeting Asia and Rest of World closed receiving commitments of \$1.5 billion and five Europe focused funds raised \$1.4 billion.

As illustrated by Fig. 5, 45% of all PERE funds closing in Q3 2009 adopted an opportunistic strategy, making it the most widely used strategy in the quarter. Value added also proved popular, with nearly a quarter (24%) of all funds employing this strategy. Core-plus, debt and fund of funds shared a fairly even split of the market, with 12%, 10% and 8% respectively.

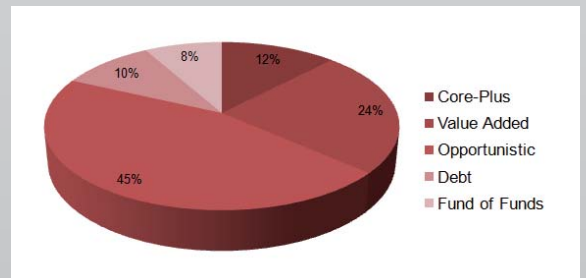
**Fig. 3: Funds on the Road Over Time**



**Fig. 4: Q3 2009 Fundraising by Fund Primary Geographic Focus**



**Fig. 5: Breakdown of Q3 2009 Fundraising by Strategy**



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Full results and report on Q3 2009 fundraising will be available in Preqin's monthly newsletter, *Spotlight*.

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