

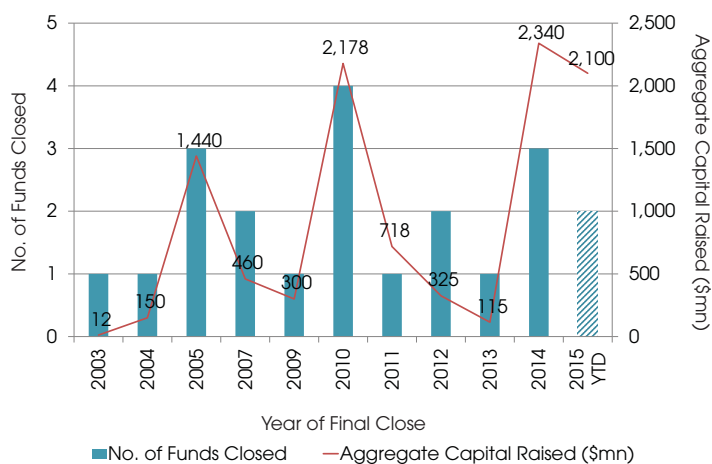
Real Estate Secondaries

Dedicated real estate secondaries vehicles that have successfully raised capital are concentrated among just a few established managers, more so than with private equity secondaries vehicles. As shown in Fig. 1, between 2003 and May 2015, a total of 21 real estate secondaries funds attained a final close, securing an aggregate \$10.1bn; almost two-thirds of this capital was secured by just five managers.

Beyond investments made by these dedicated vehicles, demand for real estate secondaries exists from other sources. Preqin's Secondary Market Monitor tracks 152 investors with an interest in buying real estate fund interests on the secondary market. As shown in Fig. 4, pension funds account for over a third (34%) of potential buyers, typically adopting an opportunistic approach to purchasing fund interests. Real estate fund of funds managers make up 14%, while endowment plans and insurance companies each represent 9%.

In terms of supply of opportunities, Preqin's Secondary Market Monitor tracks 99 investors that are open to selling real estate fund interests on the secondary market, 40% of which are based in North America as shown in Fig. 6.

Fig. 1: Annual Real Estate Secondaries Fundraising, 2003 - 2015 YTD (As at 29 May 2015)



Source: Preqin Secondary Market Monitor

Fig. 2: Five Largest Real Estate Secondaries Funds Closed, All Time (As at 29 May 2015)

Fund	Firm	Firm Headquarters	Vintage	Final Close Size (\$mn)	Year of Final Close	Main Geographic Focus
Partners Group Real Estate Secondary 2013	Partners Group	Switzerland	2013	1,950	2014	Europe
Landmark Real Estate Fund VII	Landmark Partners	US	2014	1,600	2015	US
Partners Group Real Estate Secondary 2009	Partners Group	Switzerland	2010	1,500	2010	Europe
Liquid Realty III	Liquid Realty Partners	US	2006	772	2005	Europe
Landmark Real Estate Fund VI	Landmark Partners	US	2010	718	2011	US

Source: Preqin Secondary Market Monitor

Fig. 3: Five Largest Real Estate Secondaries Fund Managers by Aggregate Capital Raised since 2003

Firm	Headquarters	No. of Real Estate Secondaries Funds Raised	Aggregate Value of Real Estate Secondaries Funds Raised (\$mn)
Partners Group	UK	2	3,450
Landmark Partners	US	6	3,350
Liquid Realty Partners	US	4	1,354
Strategic Partners Fund Solutions	US	5	1,200
Morgan Stanley Alternative Investment Partners	US	2	870

Source: Preqin Secondary Market Monitor

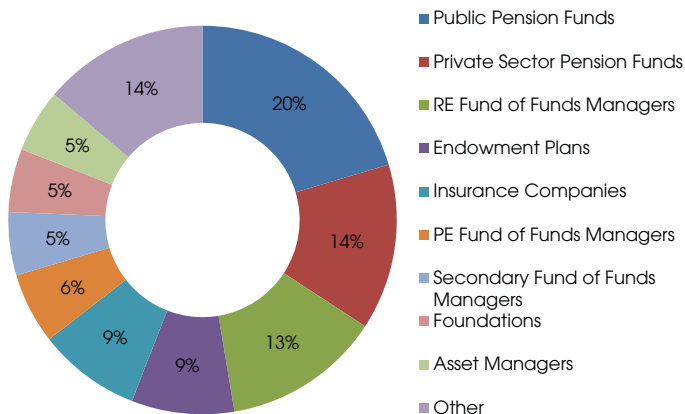
Preqin's Secondary Market Monitor: A Vital Tool

Track activity across the secondary market using Preqin's Secondary Market Monitor. View detailed information on investors buying and selling real estate fund interests, details of real estate secondaries funds in market and closed historically, real estate secondaries transactions and much more.

For more information, or to arrange a demonstration, please visit:

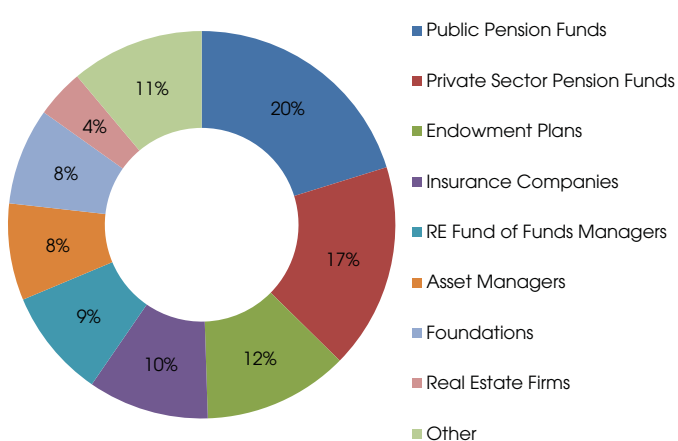
www.preqin.com/smm

Fig. 4: Breakdown of Investors Interested in Buying Real Estate Funds on the Secondary Market by Type



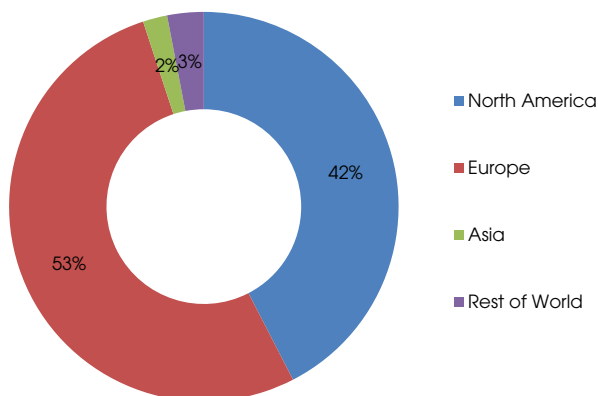
Source: Preqin Secondary Market Monitor

Fig. 5: Breakdown of Investors Interested in Selling Real Estate Funds on the Secondary Market by Type



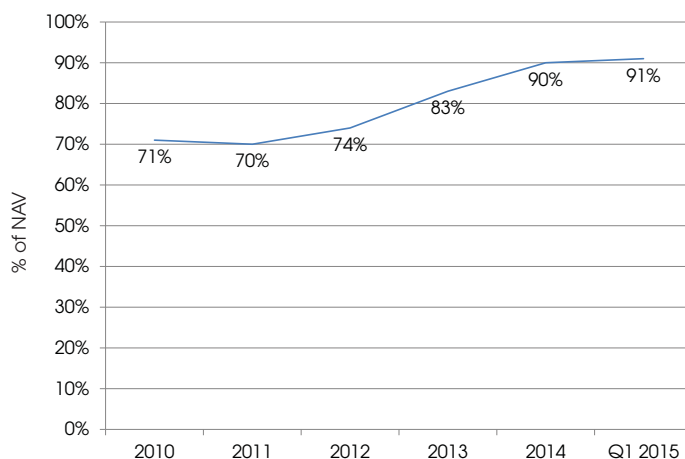
Source: Preqin Secondary Market Monitor

Fig. 6: Breakdown of Investors Interested in Selling Real Estate Funds on the Secondary Market by Location



Source: Preqin Secondary Market Monitor

Fig. 7: Historical Real Estate Secondaries Pricing (% of NAV), 2010 - 2014



Source: Cogent Partners

Fig. 8: Sample Real Estate Transactions in 2015 YTD (As at 29 May 2015)

Fund	Seller	Buyer(s)	Date
Moorfield Real Estate Fund II	William and Flora Hewlett Foundation	Metropolitan Real Estate Equity Management	May-15
Europa Fund II	Southern Methodist University Endowment	Landmark Partners	Apr-15
Europa Fund III	Southern Methodist University Endowment	Landmark Partners	Apr-15
Standard Life Investments European Property Growth Fund	PenSam	-	Apr-15
Benson Elliot Real Estate Partners III	Bat Hanadiv Foundation	-	Mar-15
Benson Elliot Real Estate Partners III	RIT Capital Partners	-	Mar-15
Alternative Property Income Venture	Storebrand Property	Aberdeen Asset Management: Property Multi-Manager Division	Feb-15
Frogmore Real Estate Partners	Suomi Mutual Life Assurance Company	Mandatum Life Insurance Company	Jan-15
European Property Investors	Suomi Mutual Life Assurance Company	Mandatum Life Insurance Company	Jan-15
Patron Capital Partners III	Columbia University Endowment	-	Jan-15

Source: Preqin Secondary Market Monitor