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BIG OPPORTUNISTIC FUNDS FINISH RAISING CAPITAL

A number of large funds have closed their fundraising efforts and now begin to look at the marketplace to put the subscribed capital to work. **JER Partners** has closed on its fifth private equity fund, while **Guggenheim Structured Real Estate Advisors** closed on a new fund. Also putting the finishing touches on funds are **Fremont Realty Partners**, **AMB Property Corp.**, and **Capri Capital Advisors LLC**.

JER Real Estate Partners III LP is a closed-end, value-added opportunistic fund focusing on North American investment across the major property groups. But JER will also look at putting the \$823M fund to work on CMBS, hospitality and healthcare properties. With leverage, the fund will have \$2.5B worth of buying power. To date, the fund has already taken the plunge on a \$32M mezzanine finance for two land parcels and office development projects in suburban Washington, D.C.; acquired an Ontario, Calif., airport hotel and acquired \$62M in CMBS. Along with five other investments, the fund has placed \$190M in capital. Among the investors is the **Virginia Retirement System**, which made a \$150M investment.

Guggenheim Structured Real Estate LP is an opportunistic commingled commercial mortgage fund that closed at \$353M. The fund will target structured debt all across the spectrum of commercial real estate, using up to 75% leverage and projecting a return of 15%. **California Public Employees Retirement System** committed \$50M to the fund as did **Oregon Public Employees Retirement System** and **Wisconsin Investment Board**. **New Hampshire Retirement System** and the **San Bernardino County Employees Retirement Association** each contributed \$10M. Guggenheim contributed \$34.6M itself and Portfolio Manager **Ed Shugrue** is projecting a gross IRR of 19.5% over a 10-year life for the fund.

Fremont Capital Partners is winding up the raise on its Strategic Property Partners 2 Fund at \$400M, but is hoping to push it to \$500M before locking it down. The fund targets two asset classes that have gained heat in recent months, condo development and senior housing, as well as two other non-core plays, self-storage and cold storage properties. **Rhode Island Employees Retirement System** was one of the PFs that made an allocation to the fund, with a \$15M investment. **Public School Teachers' Pension and Retirement Fund of Chicago** is also in for \$30M. The **Townsend Group** worked with both PFs on the allocations. **Presidio Partners** in San Francisco is the placement agent on the fund. For Presidio's **Jack Berquist**, **Markus Trice**, **Alan Braxton** and **Desi Co** it's like old times. The quartet worked with Fremont when they were all at **Banc of America Securities LLC** before leaving the bank subsidiary to form Presidio.

AMB Institutional Alliance Fund III is a \$136.5M open-ended commingled fund, which just completed its first round raise. The fund portfolio thus far consists of nine industrial properties for a total of 2.9 million s.f. With a leverage of up to 60%, the fund will target domestic industrial facilities near airports, seaports and major highways. The fund is structured so that institutional players will have the ability to exit any time after the second anniversary of the funds initial closing.

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