The 2010 Preqin Real Estate Distressed and Debt Review

- Sample Pages

Contents

Executive Summary

Since last year's edition of the Preqin Real Estate Distressed and Debt Review, the economic downturn's effect on private equity real estate fundraising has become clear. Years of unprecedented growth in the closed-end private fund industry, which saw fundraising balloon from $38 billion in 2004 to $137 billion in 2008, came to a dramatic halt in 2009 as fundraising figures plummeted to a five-year low (see Fig. A). When the credit crunch hit, real estate prices fell and liquidity issues affected most firms involved in real estate investment.

While the downturn was certainly unwelcome, it has actually assisted certain areas of the industry, namely the debt and distressed markets. The importance of the real estate debt and distressed markets has increased rapidly in the last couple of years as a result of the economic slump and, although fundraising for these vehicles was down from previous years in 2009, their share of the fundraising market grew. Debt and distressed funds have not only played a crucial role in helping the industry at large, they have also been key in sustaining the closed-end private fund market. As Fig. B highlights, 28% of the aggregate capital raised by real estate funds in 2008 was accounted for by funds that incorporated debt and/or distressed plays into their strategy. This increased to 35% in 2009 and the debt and distressed market is now so prominent that over 50% of the capital targeted by funds in market is to be allocated to vehicles that include a focus on one or both of these strategies.

This publication will look at these vehicles: the 83

Fig. A: Closed-End Real Estate Fundraising 2004 - 2009

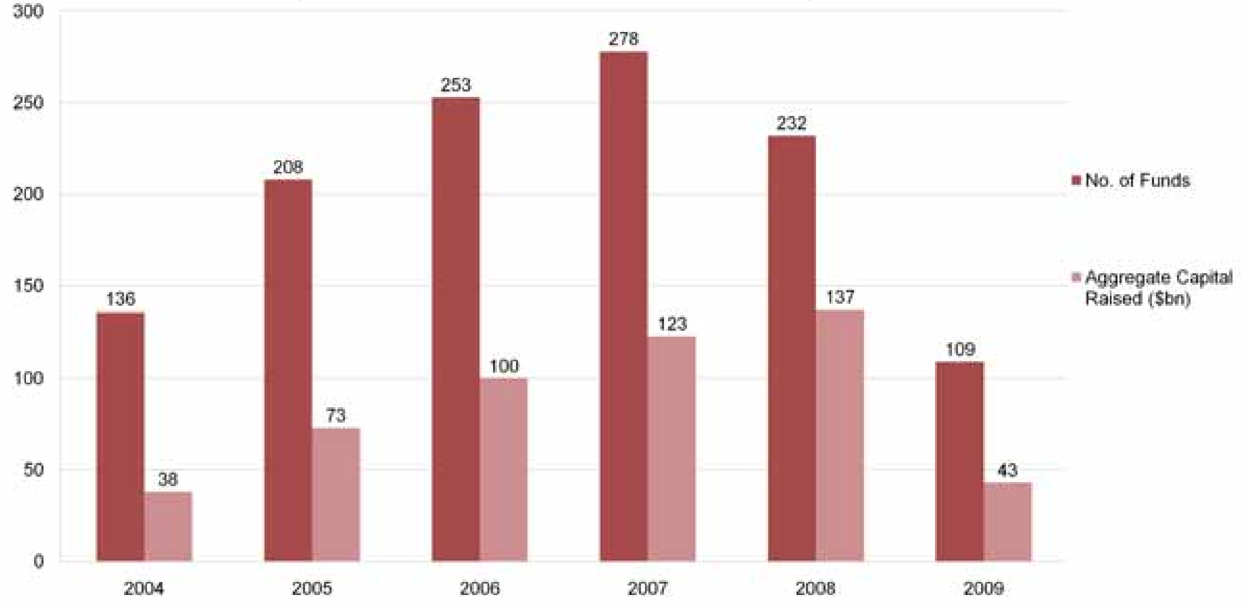
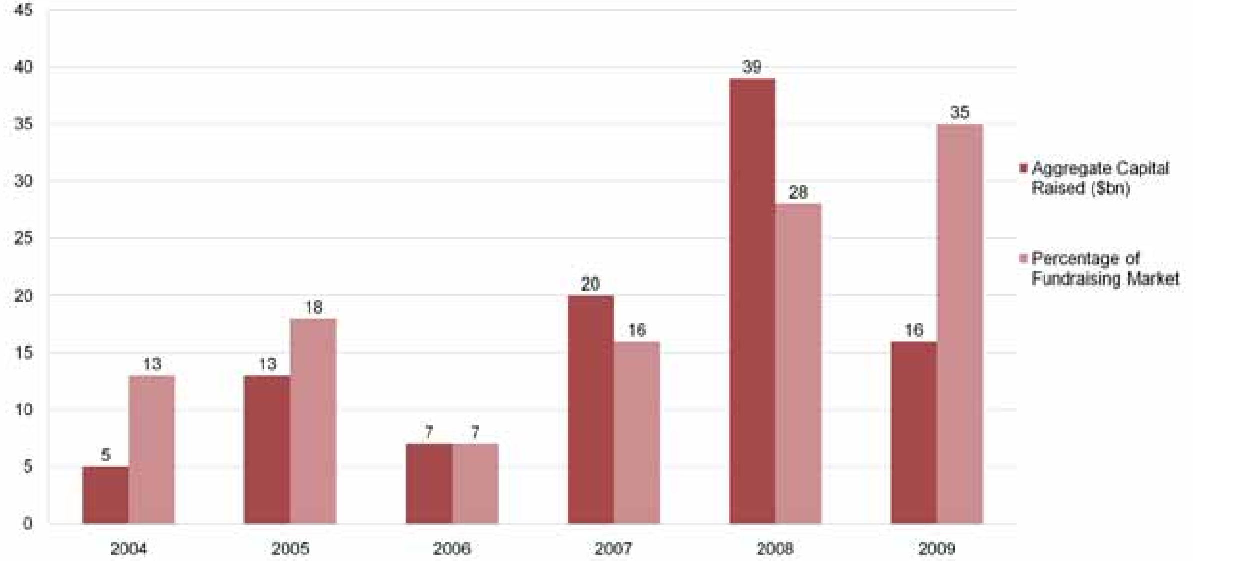


Fig. B: Share of Fundraising Market - Debt and Distressed Funds: 2004 - 2009

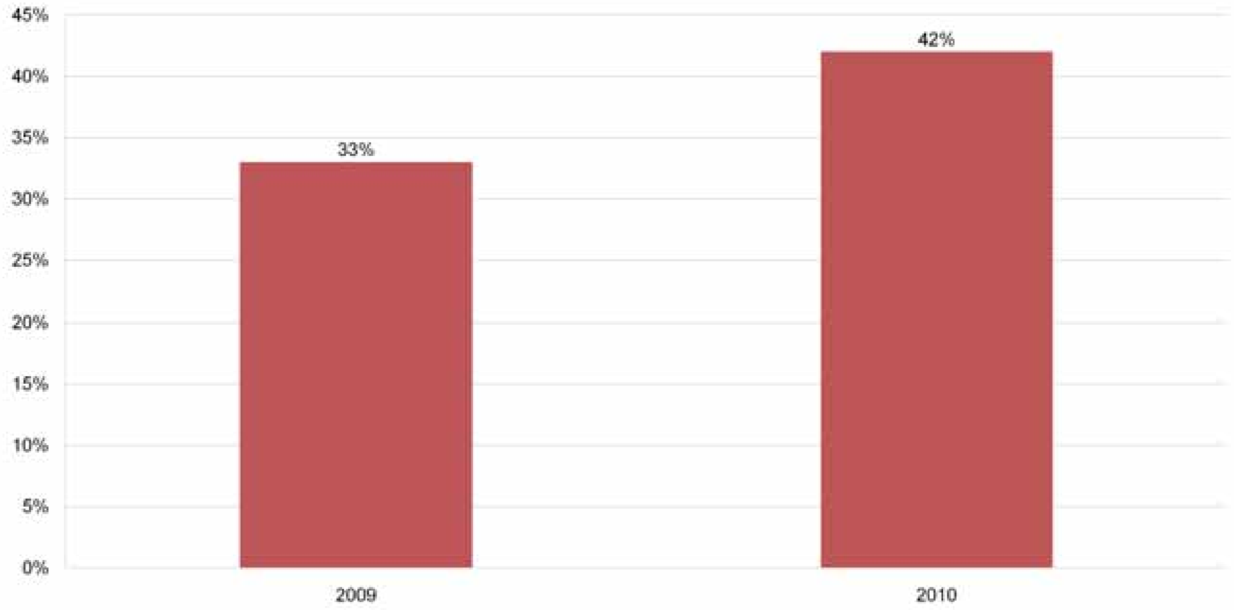


funds closed between 2008 and 2009 and the 161 funds on the road, examining the locations they target, the debt strategies they pursue, the capital closed or targeted by each fund and the performance and target IRRs. It features profiles for over 200 firms managing distressed and debt vehicles including information on their background and history, geographic areas of interest, the type of debt and distressed plays they are involved in and direct contact details for the key personnel involved. It also examines 176 of the market's most significant institutional investors, including information on why they are interested in these markets, specific geographical areas they wish to target, specific debt strategies they want exposure to, their plans for debt and distressed fund commitments in 2010 and beyond and the direct contact details for the key personnel involved in making investment decisions.

Opportunities Available

Debt and distressed real estate funds have featured in the closed-end real estate fund market almost since its emergence and some fund managers have been raising such vehicles for a number of years. Lone Star Funds, for example, has raised funds incorporating debt and distressed assets since the mid-1990s. However, market conditions have now become so conducive to debt and distressed investments that 44% of funds in market (by number of funds) will make plays in either one or both of these strategies. It is not only debt and distressed specialists involved in these funds; managers that traditionally raise value added and opportunistic funds have been including debt and distressed strategies in their funds in order to benefit from these expanding areas of the market. Some of these managers are even raising funds solely focused on these markets.

Fig. C: Percentage of Closed-End Fund Investors Interested in Debt and/or Distressed Vehicles



The influx of fund managers into the debt and distressed market is largely owing to illiquidity in the real estate industry and the fact that many fund managers are being forced to sell their debt holdings or assets at a reduced price. With many institutional investors still keen to commit to closed-end real estate funds, and interested in the opportunities available in debt and distressed markets, fund managers are increasingly catering to those wanting such exposure.

Debt funds have become more prominent in the last couple of years as traditional providers of debt to the real estate market have become unable to finance real estate markets to the same degree as they were during the economic boom. Banks and other lenders are now more focused on building up their balance sheets, so are unable or unwilling to source real estate investment as they once did. Uneasy in the economic climate, many lenders have chosen or been forced to sell their debt portfolios to those wanting and able to take the risk. Fund managers have stepped into the breach to help the market with both problems: becoming a more significant source of financing for those wishing to undertake real estate projects and for those looking to buy into the market; and investing in debt, taking real estate debt packages from traditional lenders at discounted prices. Opportunities are rife in debt markets and with many fund managers believing that debt investments will achieve better returns than equity investments, many are raising funds targeting this area of the market.

For similar reasons, opportunities have also presented themselves in the distressed real estate market.

Unfinished and unfinanced projects are being bought at discounts by fund managers that have capital to inject and can afford to wait until markets improve before they see returns on their investments. In addition, fund managers can pick up property portfolios from institutions that are in distress and need to offload real estate at a discount in order to provide themselves with financial relief.

Key Areas of the Market

Preqin identified the shift in the focus of the closed-end private real estate industry and has taken great care to track all those involved in raising and investing debt and distressed funds. The 2010 Preqin Real Estate Distressed and Debt Review covers in detail the two areas of the market to benefit most from the economic downturn.

Debt Funds: these vehicles seek to replace traditional sources of capital to the real estate industry, namely banks and other lending institutions. They are looking to provide financing to developers and owners in need of term financing or refinancing for property projects. Debt vehicles also purchase debt from institutions and operating companies that want to rid themselves of their debt burdens. Distressed debt and other poorly performing loans are widely available to fund managers.

Distressed Situations Funds: these vehicles target real estate from institutions and developers in distress that need to sell parts or all of their property portfolios. These funds can also target property that is in actual physical distress. Furthermore, this market provides equity for developers that need capital to complete real estate projects.

Importance of the Distressed and Debt Market

The global economic downturn has had a sobering effect on the real estate market. Debt and distressed funds have become important for the industry, stepping in to fill the breach left by traditional sources of capital. Without this injection of capital, many projects would struggle to complete, distressed sellers would be left without capital relief and banks would have debt packages that they could not afford to hold.

With marketing of funds now often tailored to this increasingly prominent area of real estate investment, investors have followed suit. Although overall fundraising has been relatively poor since Q4 2008, most investors retain an optimistic outlook for the industry in the longer term and see debt and distressed funds as important parts of their real estate investment portfolios. Many see these vehicles as a long-term, viable risk-adjusted choice for their portfolios as they seek to tap into the opportunities available due to market dislocation. With 42% of closed-end investors interested in these markets, a figure up nine percentage points from last year and still growing, signs are promising for managers that have incorporated debt and distressed strategies into their vehicles. With demand comes supply, and fund managers will continue to make funds available for an increasingly willing debt and distressed investor universe.

Gaining an insight into market trends in the debt and distressed landscape is of vital importance to those involved in the closed-end real estate fund industry. The 2010 Preqin Real Estate Distressed and Debt Review enables market players not only to see the bigger picture, but also to pinpoint the exact strategies adopted by individual debt and distressed fund managers and investors. With debt and distressed moving from niche to mainstream, those involved in the real estate debt and distressed industry, whether fund manager, fund of funds, real estate advisor, placement agent, fund lawyer, fund accountant or investor, can benefit by gaining an unique insight into an industry that is more important than it has ever been.

backed by commercial or residential mortgages.

Distressed Situations Funds: These funds are focused on the acquisition of real estate from distressed sellers or taking control of stalled development projects. Distressed situations funds also provide finance for developers in need of capital. In many cases these are opportunistic vehicles with a specific focus on exploiting the distress in the current real estate market.

Fundraising for Real Estate Distressed and Debt Funds

Fig. 3.2 shows fundraising for all funds that incorporate distressed or debt investments into their over all strategies. The industry has grown substantially since 2002, when $1 billion was raised by nine funds. The distressed and debt fund market saw a period of increasing fundraising in the following years, in line with the fundraising growth seen across the entire closed-end private fund industry. 2005 was a particularly strong year for distressed and debt fundraising, when $13 billion was raised, with the final close of Lone Star Fund V on $5 billion accounting for a large proportion of capital raised during the year. It was in 2007 that distressed and debt funds began to occupy a greater share of the fund market, when 35 funds closed, receiving total commitments of $20 billion. The following year was the most successful ever, with 49 funds raising an aggregate $39 billion. Fundraising for distressed and debt funds did fall during 2009, with 34 funds receiving commitments of $16 billion, but this decline was not as dramatic as for the closed-end real estate fund market as a whole. Funds incorporating distressed or debt investments were responsible for 35% of capital raised in 2009, compared with 28% in 2008 and 16% in 2007.

Much of this fundraising was by funds with multiple

Fig. 3.2: Distressed and Debt Real Estate Fundraising: 2002 - 2009

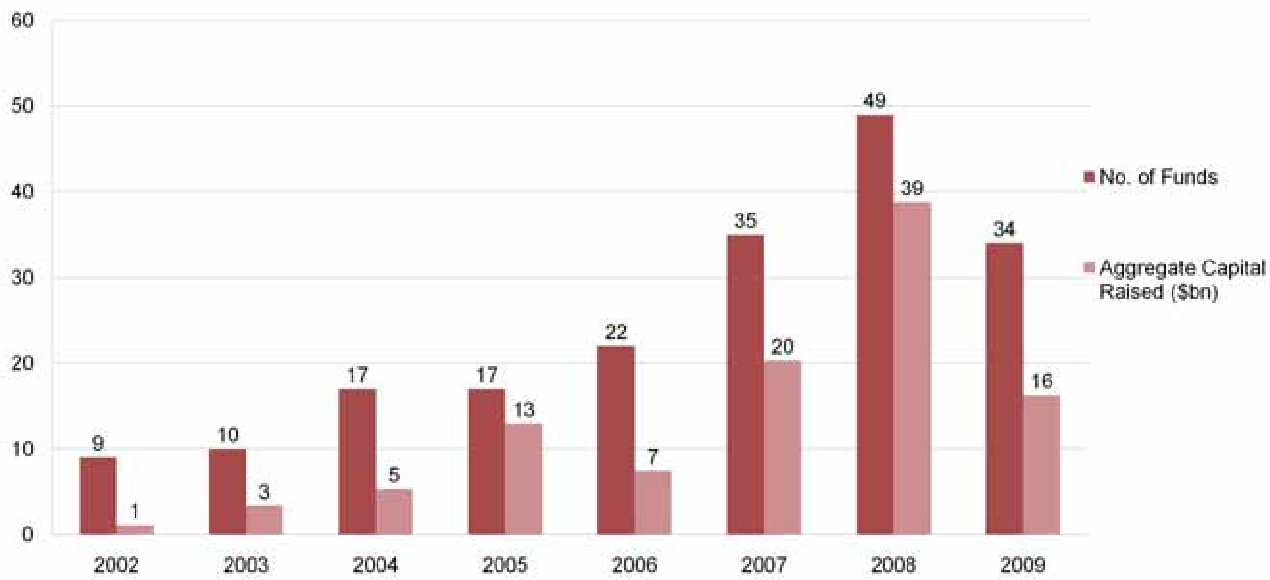
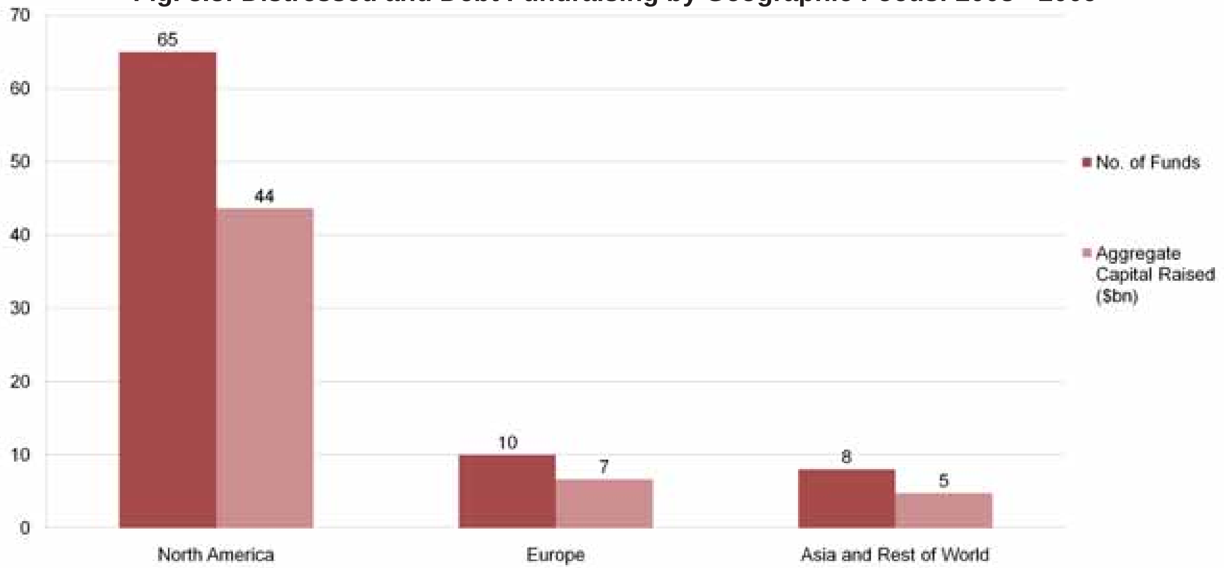


Fig. 3.3: Distressed and Debt Fundraising by Geographic Focus: 2008 - 2009

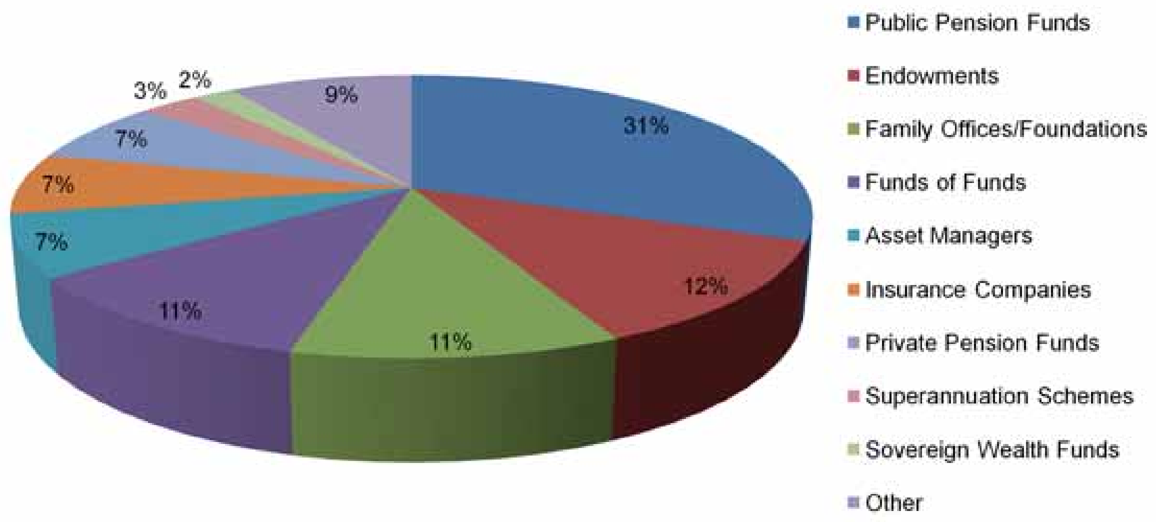


Make-up of Investors by Type

With opportunities to invest in debt and distressed markets widely available through a variety of closed-end funds, a range of institutional investors are interested in committing to these vehicles. As demonstrated in Fig. 17.1, public pension funds represent the largest base of investors that commit to or are interested in committing to closed-end private debt and distressed funds. 31% of such investors are public pension funds, many of which are prolific investors in the real estate asset class.

State Teachers' Retirement System of Ohio is one example of a public pension fund with an allocation to real estate distressed and debt funds. The $58.5 billion public pension fund has been active in closed-end private fund investment for a number of years and has committed to a number of vehicles targeting distressed situations. For example, it committed $62.5 million to Benson Elliot Real Estate Partners III. This vehicle commits to value added, opportunistic and distressed assets, and sees the current real estate market as being one that will present ongoing opportunities to purchase property from distressed sellers looking to reduce portfolio risk as debt reaches maturity and new debt options remain scarce. State Teachers' Retirement System of Ohio has also invested in debt via the closed-end fund market in the past and wants to continue doing so in the future. It is looking to invest $50 million in a US-focused fund that targets both distressed assets and real estate debt. It is interested in a range of debt strategies including B-notes, bridge loans, first mortgages, mezzanine, preferred equity and whole loans. The public pension fund wants to commit to this type of vehicle as it believes it will provide returns of around 15%.

Fig. 17.1: Make-up of Investors in Distressed and Debt Funds by Investor Type



Other examples of public pension funds invested in these markets include Oregon State Treasury and AP-Fonden 1. Oregon State Treasury is a prominent investor in the real estate distressed and debt industry, having committed a significant amount of capital to these funds in the past. It plans to continue allocating to distressed and debt funds and will invest up to $600 million across four vehicles focusing on these markets in the next 12 months. AP-Fonden 1, the SEK 200 billion Swedish public pension fund, also plans to continue investing in distressed and debt markets as it sees them as a good opportunity to benefit from market dislocation.

Endowments are the second most significant base of investors, making up 12% of the distressed and debt investor universe. University of Oregon Foundation is one such investor. The endowment commits its entire real estate allocation to closed-end private real estate vehicles. It wants to continue investing in distressed and debt funds in 2010 and will aim to commit $12 million across two vehicles. Other endowments interested in distressed and debt markets include University of Toronto Asset Management Corp, Harvard Management Company and University of Texas Investment Management Company. Funds of funds will account for a significant amount of the capital that goes to distressed and debt funds in the following months and years. 11% of investors keen on distressed and debt markets are from this investor group. Significant investors include Partners Group, Sparinvest Property Investors and Metropolitan Real Estate Equity Management.

Fund and Firm	Final Close (mn)	Close Date	Placement Agent	Strategy	Legal Structure	Location Preference	Property Preference	Debt Preference	Investors
Aetos Capital Asia III Aetos Capital	568 USD	Dec-09		Debt, Distressed and Opportunistic	Limited Partnership	China, Japan, South Korea	Commercial, Hospitality, Mixed Use, Multi-family, Office, RE Companies, Residential, Retail	Non-Performing Loan	CalSTRS, Oregon Public Employees' Retirement Fund, Oregon State Treasury
European Property Investors Special Opportunities AEW Europe	788 EUR	May-08		Distressed and Value Added	Limited Partnership	Europe	Industrial, Office, Retail		Aberdeen Property Investors, Asstel, Franklin Templeton Investments, Gothaer Versicherungsbank, Natixis Asset Management Immobilier, Natixis Global Asset Management
Capital Alliance Property Investment Company African Capital Alliance	165 USD	Jul-09	Not Used	Debt and Opportunistic	Limited Partnership	Africa Nigeria	Commercial, Hospitality, Mixed Use, Residential, Retail	Mezzanine	Africa Finance Corporation, CDC Group, Overseas Private Investment Corporation
Mezzanine Investment Partners II Amwal	200 USD	Nov-08		Debt		Qatar	Mixed Use	Mezzanine	QInvest, Shuaa Capital Principal Investment Group
AG Real Estate Debt Opportunity Fund Angelo, Gordon & Co	500 USD	Jun-08		Debt	Limited Partnership	US		CMBS	
Ascent Mezzanine Partners II Ascent Real Estate Partners	110 USD	Oct-08		Debt		US	Commercial, Hotels, Industrial, Mixed Use, Multi-family, Office, Residential, Retail	B-Notes, Bridge Loans, Distressed Debt, First Mortgages, Mezzanine, Non-Performing Loan, Preferred Equity	
ASK Real Estate Special Opportunities Portfolio I ASK Investment Holdings	5,000 INR	Jun-09	Not Used	Distressed and Opportunistic	LLC	India	Commercial, Residential		
Avanti Strategic Land Investors VI Avanti Investment Advisors	239 USD	Oct-08		Distressed and Value Added	Limited Partnership	US	Commercial, Land Development, Residential	Distressed Debt, Non-Performing Loan	University of Michigan Endowment, University of Washington Endowment
Barwood Property Investment Fund Barwood Capital	50 GBP	Sep-09	Not Used	Distressed, Opportunistic and Value Added		UK	Industrial, Office		
Benson Elliot Real Estate Partners III Benson Elliot Capital Management	510 EUR	Jan-09	Probitas Partners	Distressed, Opportunistic and Value Added	Limited Partnership	Europe			Bat Hanadiv Foundation, Global Endowment Management, Hatteras Funds, Makena Capital Management, Morgan Creek Capital Management, Morgan Stanley AIP, North Carolina Department of State Treasurer, RIT Capital Partners, Sawdust Investment Management, State Teachers' Retirement System of Ohio, Tokio Marine and Nichido Fire Insurance, University of Texas Investment Management Company
BlackRock Residential Opportunity Fund BlackRock Realty	118 USD	Jul-09		Debt and Opportunistic	Limited Partnership	US	Residential		

3 Degrees Asset Management

Tel: +65 6750 2260 | www.3degrees.com.sg
08-08 Parkview Square, 600 North Bridge Road, Singapore, 188778 | Established: 2002 | Fax: +65 6534 5157 | info@3degrees.com.sg

3 Degrees Asset Management is an investment manager focused on the Asian distressed debt and special situations market. The firm was founded in 2002 and has focused mainly on the inefficient markets of Southeast Asia. Headquartered in Singapore, 3 Degrees employs 25 professionals and has access to a network of over 2,000 employees throughout Asia.

3 Degrees' real estate strategy benefits from the firm's distressed debt group, which regularly identifies non-economic sellers looking to dispose of properties at substantial discounts to replacement value.

All/Any	Commercial	Hotels	Industrial	Land Development	Mixed Use	Multi-family	Office	RE Companies	Residential	Retail	North America	Europe	Asia & ROW
		•											•
Distressed	**Debt**	**Distressed Debt**	**B-Notes**	**Bridge Loans**	**CMBS**	**CRE CDOs**	**First Mortgages**	**Mezzanine**	**Non-Performing Loan**	**Preferred Equity**	**RMBS**	**Senior Debt**	**Whole Loans**
•	•	•							•			•	

Fund	Vintage	Status	Size (mn)	Legal Structure	Strategy	Geographic Focus
3DPropCo	2009	Open Ended			Debt and Distressed	Asia

Contacts

Name:	Job:	Tel:	Email:
Moe Ibrahim	Founder & Managing Principal		moe@3degrees.com.sg

ING Clarion Capital

Tel: +1 212 883 2500 | www.ingclarion.com
230 Park Avenue, New York, NY, 10169, US | Established: 1982

ING Clarion Capital is a Registered Investment Advisor and an affiliate of ING Real Estate Investment Management, one of the world's largest real estate investment management firms. ING Clarion Capital has been managing commercial real estate-related debt investments for its institutional clients since 1996. The principals of the firm have been analyzing, structuring or investing in commercial real estate related debt and structured products since 1986.

The real estate firm manages a commingled property debt series. Its latest debt fund, ING Clarion Debt Opportunity Fund III, takes advantage of compelling investment opportunities in US commercial and capital markets. Investments include rated and unrated commercial mortgage-backed securities (CMBS), B-notes, collateralised debt obligations, and other high-yield real estate debt. Investments will range in size from USD 5-50 million per issue, with an aggregate investment limit in a single investment or securitisation of 15% of committed capital. The vehicle will use a maximum leverage of 60% of total assets. The primary exit strategies are: sell after seasoning, term financing or hold to maturity. The fund is targeting a total net return of 15%+ and will distribute a targeted current return of 9% over the life of the fund.

All/Any	Commercial	Hotels	Industrial	Land Development	Mixed Use	Multi-family	Office	RE Companies	Residential	Retail	North America	Europe	Asia & ROW
											•		
Distressed	**Debt**	**Distressed Debt**	**B-Notes**	**Bridge Loans**	**CMBS**	**CRE CDOs**	**First Mortgages**	**Mezzanine**	**Non-Performing Loan**	**Preferred Equity**	**RMBS**	**Senior Debt**	**Whole Loans**
	•	•	•		•	•	•	•					•

Fund	Vintage	Status	Size (mn)	Legal Structure	Strategy	Geographic Focus
ING Clarion Debt Opportunity Fund III	2009	Closed	765 USD	LLC	Debt	North America
ING Clarion Debt Opportunity Fund II	2007	Closed	732 USD	LLC	Debt	North America

Contacts

Name:	Job:	Tel:	Email:
Daniel Heflin	CEO & President	+1 212 883 2541	daniel.heflin@ingclarion.com
Robert Kopchains	Managing Director - Marketing & Client Service	+1 212 883 2692	robert.kopchains@ingclarion.com

Moorfield Group

Tel: +44 (0)20 7399 1900 | www.moorfield.com
Nightingale House, 65 Curzon Street, London, W1J 8PE, UK | Established: 2001 | Fax: +44 (0)20 7499 2114 | enquiry@moorfield.com

Moorfield Group's investment strategy is predicated on acquiring real estate, real estate-related opportunities and asset-rich companies where active corporate, asset and financial management is expected to enhance both income and capital returns. Unlike many pan-European real estate firms, which limit their UK presence to London, Moorfield has extensive relationships and experience outside of the capital, having completed real estate acquisitions across office, retail and industrial sectors in many of the major towns and cities in the UK.

The real estate firm is involved in the distressed asset market in the UK. Moorfield Real Estate Fund II targets distressed sellers and property declining in value. It is interested in all sectors of the real estate market. The investors in Moorfield Real Estate Fund II comprise major endowments, foundations and pension funds in the US and Europe.

All/Any	Commercial	Hotels	Industrial	Land Development	Mixed Use	Multi-family	Office	RE Companies	Residential	Retail	North America	Europe	Asia & ROW
	•	•	•		•		•	•	•	•		•	
Distressed	**Debt**	**Distressed Debt**	**B-Notes**	**Bridge Loans**	**CMBS**	**CRE CDOs**	**First Mortgages**	**Mezzanine**	**Non-Performing Loan**	**Preferred Equity**	**RMBS**	**Senior Debt**	**Whole Loans**
•	•	•											

Fund	Vintage	Status	Size (mn)	Legal Structure	Strategy	Geographic Focus
Moorfield Real Estate Fund II	2007	Closed	390 GBP	Limited Partnership	Debt, Distressed and Opportunistic	UK

Contacts

Name:	Job:	Tel:	Email:
Charlie Ferguson-Davie	Corporate Acquisitions	+44 (0)20 7399 1900	charles.fergusondavie@moorfield.com
Mark Hatcher	Real Estate Opportunities, Investment Analysis	+44 (0)20 7399 1900	mark.hatcher@moorfield.com
Paul Makin	Real Estate Opportunities, Asset Manager	+44 (0)20 7399 1900	paul.makin@moorfield.com
Robin Matthews	Real Estate Opportunities, Investment Analysis	+44 (0)20 7399 1900	robin.matthews@moorfield.com
Graham Sidwell	Finance Director	+44 (0)20 7399 1900	graham.sidwell@moorfield.com

* = Fund Target

China Investment Corporation

Sovereign Wealth Fund

New Poly Plaza, 1 Chaoyangmen Beidajie, Dongcheng District, Beijing, 100010, China | www.china-inv.cn

Tel: +86 (0)10 6408 6167 | Fax: +86 (0)10 6408 6731 | invest@china-inv.cn

Assets Under Management (mn): 290,000 USD | Established: 2007

Debt	Distressed	N.America	Europe	Asia & RoW
•	•	•	•	•

Debt Types: Distressed Debt, First Mortgages

China Investment Corporation (CIC) is particularly interested in the real estate debt and distressed sector as it is keen to take advantage of the opportunities created by the credit crisis. The sovereign wealth fund has exposure to global distressed real estate through its USD 800 million commitment to Morgan Stanley Real Estate Fund VII Global. CIC also plans to invest up to USD 2 billion in the US mortgage sector and commit to funds targeting toxic mortgage-backed securities. Part of its plan to invest in toxic assets saw the sovereign wealth fund allocate USD 1 billion to Global Real Estate Investment Program, a global vehicle involved in recapitalizing and repositioning properties and in restructuring debt and companies. CIC can opt out of certain deals if it chooses to do so.

Sample Investments: Real Estate Turnaround Investment Program (2009), Morgan Stanley Real Estate Fund VII Global (2008)

Contact Name	Position	Tel	Email
Collin Lau	Head of Real Estate	+86 (0)10 6408 6167	
Chuanbei Li	Portfolio Manager	+86 (0)10 6408 6188	licb@china-inv.cn
Zhou Yuan	Head of Alternative Investments	+86 (0)10 6408 6167	

Kuntien Eläkevakuutus

Public Pension Fund

P.O.Box 425, Helsinki, 00101, Finland | www.keva.fi

Tel: +358 (0)20 614 21 | Fax: +358 (0)20 614 2011 | info@keva.fi

Assets Under Management (mn): 24,000 EUR | Established: 1964

Allocations to RE	Current	Target
Real Estate (mn):	2,083 EUR (8.5% of AUM)	2,205 EUR (9% of AUM)
Overall Private Fund (mn):	369 EUR (17.7% of RE Allocation)	
Closed-End Fund (mn):	290 EUR (13.9% of RE Allocation)	

RE Investment Consultant: In-House

Debt	Distressed	N.America	Europe	Asia & RoW
•	•		•	

Kuntien Eläkevakuutus is interested in a wide range of private real estate fund strategies, ranging from core and core-plus to opportunistic and funds targeting distressed real estate. Its most recent commitment, to Meyer Bergman European Retail Partners I, provided the pension fund with exposure to real estate debt and distressed strategies across Europe. In Q4 2009, Kuntien Eläkevakuutus was in the process of reviewing its asset allocation and was looking to invest in private real estate funds in 2010. Several funds were under review.

Sample Investments: Meyer Bergman European Retail Partners (2010)

Contact Name	Position	Tel	Email
Markus Frosterus	Portfolio Manager	+358 (0)20 614 21	markus.frosterus@keva.fi
Erkki Markkola	Director - Real Estate, Domestic Markets	+358 (0)10 314 2493	erkki.markkola@keva.fi
Mikko Moilanen	Portfolio Manager	+358 (0)10 314 2632	mikko.moilanen@keva.fi
Arto Tuunanen	Portfolio Manager - Alternative Investments	+358 (0)20 614 21	arto.tuunanen@keva.fi

State Teachers' Retirement System of Ohio

Public Pension Fund

275 East Broad Street, Columbus, OH, 43215-3771, US | www.strsoh.org

Tel: +1 614 227 4090 | Fax: +1 614 227 4683 | contactus@strsoh.org

Assets Under Management (mn): 58,500 USD

Allocations to RE	Current	Target
Real Estate (mn):	5,250 USD (9% of AUM)	5,850 USD (10% of AUM)
Overall Private Fund (mn):	500 USD (9.5% of RE Allocation)	800 USD (13.7% of RE Target)
Closed-End Fund (mn):	300 USD (5.7% of RE Allocation)	600 USD (10.3% of RE Target)

General Consultant: Callan Associates

Debt	Distressed	N.America	Europe	Asia & RoW
•	•	•	•	•

Debt Types: B-Notes, Bridge Loans, CMBS, Mezzanine, Preferred Equity, RMBS

State Teachers' Retirement System of Ohio (STRS) has been investing in real estate for over 20 years. The pension fund has a target allocation of over 10% to real estate, with a rebalancing range of 6-12%. This is an increase from the 9.5% target allocation it had in 2008. As of Q1 2010, the pension fund had allocated 9.5% of its total investment portfolio to real estate. STRS invests in the asset class via a number of methods. A large portion of its portfolio is committed directly. It also invests in listed vehicles, core funds and closed-end real estate funds. In order to meet its target allocation the pension fund will invest more capital directly and in closed-end real estate funds in 2010. It will not invest additional capital in listed or core vehicles. As of Q1 2010, State Teachers' Retirement System of Ohio was looking to continue investing in closed-end real estate funds over the next 12 months and expand on its debt and distressed real estate portfolio. It was seeking to invest USD 50 million in a fund that focused on debt and distressed assets in the US. It was interested in B-notes, bridge loans, first mortgages, mezzanine, preferred equity and whole loans. The pension fund wants to invest in a debt fund as it believes it will be able to provide it with 15% returns.

Sample Investments: Benson Elliot Real Estate Partners III (2009), LaSalle Asia Opportunity Fund III (2008), LaSalle Japan Logistics Fund II (2007), Capmark Structured Real Estate Partners (2006)

Contact Name	Position	Tel	Email
Stephen H. Huber	Manager - Alternative Investments	+1 614 227 7815	hubers@strsoh.org
Andy Paul	Head of Real Estate Fund Investments	+1 614 227 7835	paula@strsoh.org

2010 Preqin Real Estate Distressed and Debt Review: Order Form

The global economic downturn has had a major effect on the global real estate industry. A large number of managers, operators and owners have become distressed, with many looking to refinance projects and sell off properties. As fundraising for traditional PERE funds has struggled, the number of vehicles launched to take advantage of distressed and debt opportunities has grown dramatically, and now represents a significant proportion of the closed-end real estate fund market. This year's updated 300 page edition includes:

- Comprehensive profiles for over 200 distressed and debt fund managers.
- Full profiles for over 170 institutional investors currently investing in this market
- Listings for all funds closed and currently in market, plus fund-specific performance data listings for over 100 funds and terms listings for 73 funds
- Global coverage, featuring the largest known managers and investors worldwide

Purchase online: www.preqin.com/redistressed

2010 Preqin RE Distressed & Debt Review Order Form - Please complete and return via fax, email or post

I would like to purchase the Preqin RE Distressed and Debt Review:

☐ £465 + £10 Shipping ☐ $795 + $40 Shipping ☐ €495 + €25 Shipping

Additional Copies

☐ £110 + £5 Shipping ☐ $180 + $20 Shipping ☐ €115 + €12 Shipping

(Shipping costs will not exceed a maximum of £15 / $60 / €37 per order when all shipped to same address. If shipped to multiple addresses then full postage rates apply for additional copies)

I would like to purchase the 2010 Preqin RE Distressed and Debt Review Graphs & Charts Data Pack in MS Excel Format:

☐ $300 / £175 / €185 *(contains all underlying data for charts and graphs contained in the publication. Only available alongside purchase of the publication).*

Name: ____________________

Firm: ____________________ Job Title: ____________________

Address: ____________________

City: ____________________ Post / Zip Code: ____________________ Country: ____________________

Telephone: ____________________ Email: ____________________

Payment Options:

☐ Cheque enclosed (please make cheque payable to 'Preqin')

☐ Credit Card ☐ Visa ☐ Mastercard ☐ Amex

☐ Please invoice me

Card Number: ____________________

Expiration Date: ____________________ Security Code*: ____________________

Name on Card: ____________________

*Security Code:

Visa / Mastercard: the last 3 digits printed on the back of the card.

American Express: the 4 digit code is printed on the front of the card.

Equitable House, 47 King William Street, London, EC4R 9AF
230 Park Avenue, 10th floor, New York, NY 10169
Samsung Hub, 3 Church Street, Level 8, Singapore 049483

w: www.preqin.com / e: info@preqin.com / t: +44 (0)20 7645 8888 or +1 212 808 3008 / f: +44 (0)87 0330 5892 or +1 440 445 9595