



FUNDS IN THE MARKET &  
REAL ESTATE AND  
HARD ASSET DESKBOOK

March 2009

## INTRODUCTION

Probitas Partners is a leading independent knowledge, innovation and solutions provider to private markets clients. It has three integrated global practices that include placement of alternative investment products, portfolio management and liquidity management. These services are offered by a team of employee owners dedicated to leveraging the firm's vast knowledge and technical resources to provide the best results for its clients.

**probity** (prō'bitē)

*n.* [from Latin *probitas*: good, proper, honest.] adherence to the highest principles, ideals and character.

On an ongoing basis, Probitas Partners offers research and investment tools on the alternative investment markets as aids to its institutional investor and general partner clients. Probitas Partners compiles data from various trade and other sources and then vets and enhances that data via its team's broad knowledge of the market. Probitas Partners also surveys institutional investors in order to directly determine their perceptions of various aspects of the market, and the findings from our surveys of infrastructure and real estate investors included as part of this paper is part of that process.

Included within this *Real Estate & Real Assets Deskbook* is our listing of Real Estate and Hard Asset Funds in or Thought to Be Coming to Market Over the Next 12 Months. A few important user notes on the funds listing:

- The list does not track funds smaller than \$100 million or €75 million, as these are not often targeted by institutional investors;
- Information is collected from various data sources, but dynamically and accurately tracking when funds are launched and when they are finally closed is a difficult business. We constantly interact with investors and other industry sources in an effort to keep the data updated, and we appreciate receiving any corrections or updates that keep this listing as up to date as possible;
- Probitas Partners relies upon its knowledge of the investment pace of previous funds, informal discussions with institutional investors and general partners, and its knowledge of emerging managers to assemble our roster of funds in or coming to market. Specifically, we do not seek confirmation of these estimates with general partners in order to avoid SEC public offering prohibitions.

For the same reason, Probitas Partners does not include in this listing information on funds it is currently offering; qualified investors seeking information on Probitas Partners' placed funds should contact us directly in order to have the most complete picture of all institutional funds currently in the market.

## CONTENTS

KEY TRENDS IN 2009 .....	1
OVERVIEW .....	2
GLOBAL REAL ESTATE FUNDRAISING TRENDS .....	3
THE NORTH AMERICAN OPPORTUNISTIC REAL ESTATE MARKET ....	7
THE EUROPEAN MARKET .....	11
THE ASIAN MARKET .....	13
EMERGING MARKETS EX-ASIA .....	15
IMPLICATIONS OF WEAK OR NON-EXISTENT DEBT MARKETS .....	15
THE REAL ESTATE SECONDARY MARKET .....	17
INFRASTRUCTURE .....	21
CONCLUSIONS .....	25
FUNDS IN OR COMING TO MARKET .....	28

## KEY TRENDS IN 2009

- Continued erosion in real estate and other real asset fundamentals caused by global recession and past over-leveraging
- Continued tightness in debt markets across the board will continue to cause risk of asset loss for owners/borrowers unable to refinance maturing debt – and stymie new transaction volume for the foreseeable future
- Acute liquidity constraints will cause fund sponsors to seek additional equity to recapitalize existing assets under threat of loss
- Large and growing investment opportunities in distressed assets, first in debt, later in equity
- Growing demand for infrastructure investments driven by renewed investor interest in the risk/return profile, inherent demand for new and rehab infrastructure investment, and governmental interest in economic stimulus programs
- Many limited partners constrained in making new fund investments by the Denominator Effect on allocations and immediate needs for liquidity
- Investors with funds to commit are focused on distressed opportunities and value-added strategies with partners with operational expertise as well as secondary funds
- Portfolio management for limited partners will increasingly focus on triaging current fund manager relationships, selling non-core positions and redeploying capital into distressed opportunities
- With the recession now global, many investors are refocusing on their home markets

## Overview

For the first time since private equity real estate became an asset class in most institutional portfolios, it faces broad fundamental challenges globally. Beyond the inherent softening of macro fundamentals that is confronting all real estate assets and operators today, institutions that invest in private equity real estate are facing unique issues; namely, the impacts of the cash flow dynamics of funds' contractual structures, the changing dynamic of fair value accounting, and the massive buildup of assets in need of refinancing. These assets in need of refinancing, with nearly all requiring additional equity injections, face the risk of being lost by fund managers and thus their limited partners – and resulting in a complete write-off of the investment.

Furthermore, over-allocations in most institutional portfolios, coupled with limited near-term realizations, will continue to strain investors' ability to commit new capital in 2009. Many investors express concern about their ability to fund upcoming capital calls on existing commitments.

The current market can be compared to the real estate market collapse of the late 1980s that led to the creation of the Resolution Trust Corporation ("RTC") and the transfer of billions of dollars of assets on the cheap to savvy buyers – many of whom went on to become some of the most active investors of today. Unlike the market meltdown that resulted in the RTC, this market downturn was not caused by excessive building. But it does share common factors: imprudent financing and risk management. The RTC meltdown

was caused by imprudent real estate lending practices as Savings & Loans expanded aggressively while supervision was lax. The current financial meltdown was caused by a much broader collapse of financial prudence across nearly all areas of lending, led mostly by fee-hungry investment banks that created massive pools of loans that were broadly syndicated. These loans were sold with the help of rating agency stamps of approval that dramatically overstated the quality of the underlying loans.

At the same time, borrowers – many of them fund sponsors – took advantage of the cheap debt to make more aggressive acquisitions over the past three years. Unfortunately, for those borrowers that used shorter-term debt, the current market offers little opportunity to refinance in the face of drastic asset devaluation and the resulting requirement for new equity to support the refinancing. And if the borrower is a fund sponsor with an asset in a fund whose investment period has passed, there is small likelihood of finding limited partners ready and willing to voluntarily provide new equity capital. The result: nearly all assets acquired during the past three years are under water; many of them with debt coming due in the next 18 to 24 months are likely to be lost to the lenders, absent dramatic improvements in market conditions. Of course, similar risks exist for older assets that will need refinancing in that same window as well, but they are likely to be less impacted by devaluation, and thus may require less additional equity. Clearly the condition of the financial markets will provide challenges even for those better-positioned assets, directly impacting the asset's valuation today.

While all of this paints a bleak picture for investors with portfolios of mostly funded assets acquired over the past two to three years, the opportunity for new capital is as great as or greater than the downside for existing fund limited partners. The question most investors are asking today is: how do I best position my portfolio to survive the current market downturn and at the same time capitalize on what may be one of the best investment opportunities many of us will see in our lifetimes?

Not all hard asset investing is retrenching, in part because of the financial crisis and a resulting push for safer, stable current income-producing investments and in part because of inertia for capital moving into the hard asset space before the crisis became clear. Consequently, notwithstanding devaluation issues on existing assets and similar challenges in the debt markets for such assets, many hard asset sectors — especially infrastructure and distressed debt on underlying hard assets — are actually seeing increased interest from investors globally.

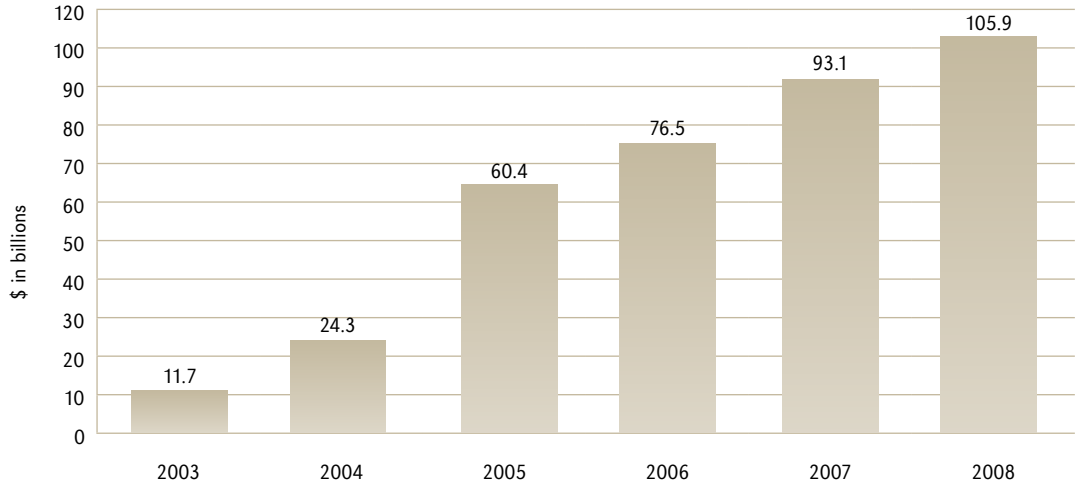
## ***Global Real Estate Fundraising Trends***

Fundraising in private equity real estate is often a lagging indicator of primary market activity. The fundraising process typically takes 12 to 18 months and early momentum usually determines success. This momentum often means that fundraising success reflects the environment in which a fund is first launched and not the environment when it finally closes.

Global real estate opportunity fund capital raised for 2008 reached \$106 billion, a new record that will not be challenged in 2009 as the market deteriorates. That capital was raised by 159 funds and surpasses the \$93 billion raised in 2007, as illustrated in Chart I. The largest real estate fund ever raised, Blackstone Real Estate Partners VI, had a final closing on \$11 billion early in 2008. Morgan Stanley Real Estate Fund VII continues to be in market with a similar target, but it was launched much later and consequently ran into stronger headwinds and appears unlikely to exceed Blackstone's record raise.

This fundraising success of 2008 was in stark contrast to the performance of commercial real estate investors during the same period. Though industry-wide private equity real estate data is not yet available, Chart II shows FTSE and NAREIT's Real Estate 50 ETF (that tracks the performance of the largest publicly traded real estate entities), indicating plunging values beginning in September 2008 to values by the end of January 2009 at half the value of 2008's peak. As fund managers provide year-end 2008 reports

**Chart I Global Real Estate Fundraising**



Source: Private Equity Intelligence, Probitas Partners

**Chart II FTSE NAREIT Real Estate 50 Performance, January 2008 through January 2009**



Source: FTSE

to their limited partners in compliance with FAS 157, we expect to see similar impacts to portfolio valuation.

Looking back at 2008, North America commanded nearly one-third of global fundraising; large global funds and European funds each represented approximately 23% of the total amount raised, as illustrated in Chart III. Of note, there were fewer global funds raised, but those raised were much larger in scale.

Asia also represented strong fundraising in 2008, attracting over 20% of global capital raised. Emerging markets in Latin America, Eastern Europe, and Africa garnered a mere 2% of total funds raised. In a material shift from North America's dominance of capital attraction, nearly half of all funds closed in 2008 were focused on Asian, European and emerging markets. While one might assume that such a shift is in reaction to weakening fundamentals in the U.S. market and related woes associated with the credit crises, the expanding commitment to globally focused investments, particularly by U.S.-based managers and investors, in fact represents

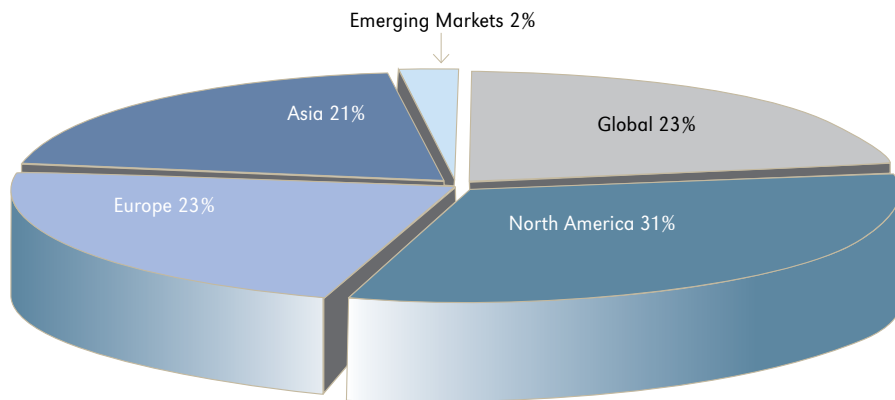
an ongoing strategic evolution over the past several years.

Notwithstanding the drop in real estate values around the world and impacted legacy positions in nearly all fund managers' portfolios, the record fundraising year of 2008 means that there is capital available to pursue many of the opportunities that will surface from the current crisis. Of course, this assumes that there is sufficient debt capital available, willingness on the part of sellers to accept pricing reflecting the new reality (likely value declines of an additional 50% during 2009), and sufficient resources to focus on new deals after fund managers have adequately addressed value preservation in their legacy portfolios.

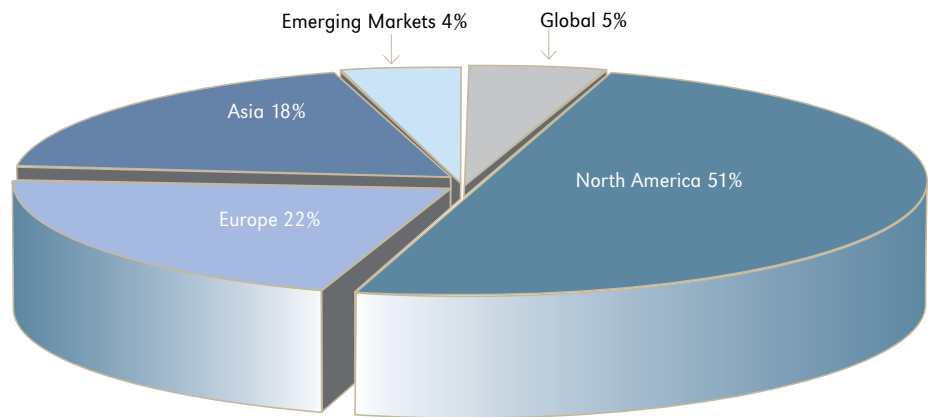
As of this writing, the debt markets remain all but closed for new deals – lenders are bracing for the onslaught of properties that may need to be taken back when loans mature; borrowers have to come to grips with substantially declining values and the need for large new equity infusions to support refinancing the assets.



**Chart III Global Fundraising by Region**



**Chart IV Global Fundraising by Number of Funds**



Source: Private Equity Intelligence, Probitas Partners

## North American Opportunistic Real Estate Market

Capital from U.S. investors will continue to migrate back to the U.S. for the foreseeable future, where intrinsic value at historically depressed prices has taken priority over the growth play in emerging markets. Part of this trend certainly stems from a natural retrenchment to home markets by limited partners globally. Another driver of the trend is a calculated bet that surging growth in markets like India and China will be subdued by the economic issues in the U.S. and Europe, so that the upside generated by growth is less attractive than capitalizing on distressed opportunities – a similar strategy to one that generated great returns in the RTC era.

With the recent quarter transaction freeze, so few deals have transacted that ongoing pricing for assets has become extremely difficult. This is in stark contrast to the past three to five years of high velocity and highly transparent deals that yielded relatively easy comparable pricing of assets. According to Real Capital Analytics, global commercial property sales were estimated to total just \$513 billion in 2008, down 57% from 2007's \$1.2 trillion pace.

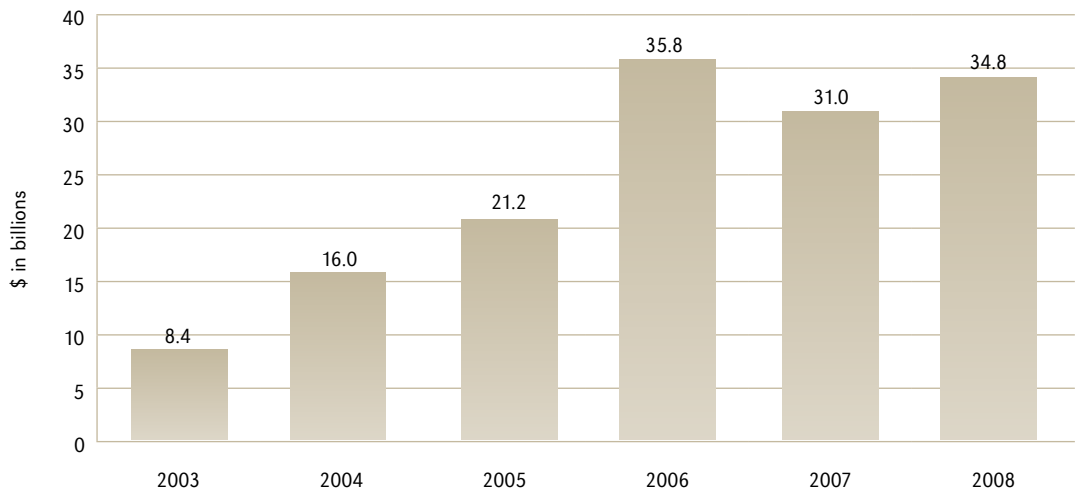
Public market performance is, of course, a leading mark-to-market indicator of real asset values. The performance of REITs, which had flourished in prior years, fell dramatically during 2008. Larger REITs, such as those managed by UBS whose value has mirrored the movement of the S&P 500, have had substantial value declines resulting in a run on the bank, causing UBS to suspend redemptions until the end of 2009.

Decreased valuations, constrained debt markets, and capital markets concerns inevitably led to a dramatic slowing of investments across the residential, retail, office, and industrial property sectors. Commercial real estate was hit particularly hard as the loss of jobs especially in financial centers, contributed to increasing office vacancies – a trend that has not yet peaked as economies globally continue to slow.

Thus far, multifamily housing has shown some resilience with investments targeted towards renters with few home ownership options generating strong performance. However, an increasing jobless rate coupled with out-migration to more suburban or rural (i.e., lower cost) locations by “city dwellers” losing their jobs is expected to weaken rents in major metropolitan areas. Retail and hospitality sectors also are expected to suffer as low consumer confidence and increased personal savings mute discretionary spending.

Distressed investing was a “hot topic” at the close of 2007 and remained so throughout 2008; there remains a continued focus on proven distressed fund sponsors who look to take advantage of the market dislocation. In early 2008, most “distressed real estate funds” were focused on debt-oriented strategies (e.g., issuing debt, buying defaulted notes, purchasing deeply discounted securities, etc). Distressed funds appeared to be novel and distinct in 2007. Today, any opportunistic real estate fundraising capital will be *de facto* focused on distressed opportunities; inherently, that will mean a focus on debt opportunities, since they dominate the landscape and

**Chart V Commitments to Opportunistic U.S. Real Estate Partnerships**



Source: *Private Equity Intelligence, Probitas Partners*

will not likely give rise to equity-oriented opportunities for some time to come.

This trend towards distressed strategies was clearly demonstrated in Probitas Partners' most recent institutional investor real estate survey. (The survey was completed in late September as the capital markets turmoil began in earnest.) As detailed in Chart VI, as investors looked towards 2009, interest in distressed strategies was double that of any other sector in North America.

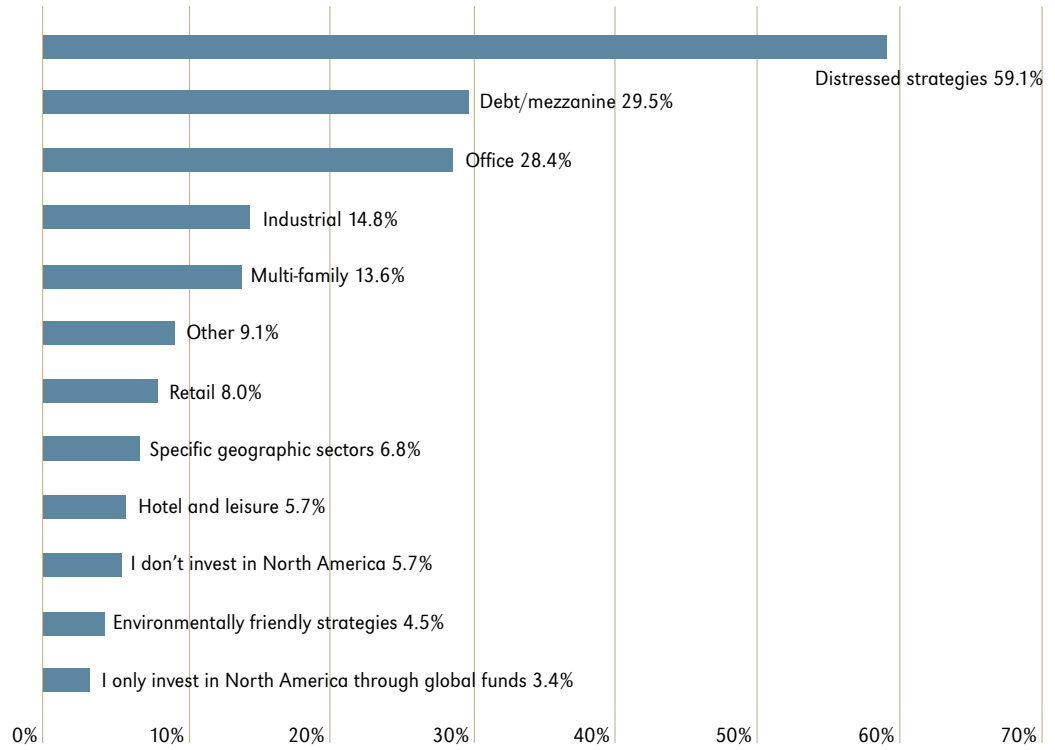
Notwithstanding the growing volume of commitments made to "distressed" real estate funds, the market has generated few opportunities to date compared with available capital. Being too early in a falling market has always been one of the pitfalls of investing in a market downturn, and experienced distressed investors are moving

cautiously until they feel that we are closer to the bottom of the cycle.

Also as noted in Chart VI, investor interest in debt and mezzanine strategies has surged. Several opportunity funds are becoming competition for mezzanine financing, offering loan-to-own financing as a means to address the bid-ask gap in hopes of ultimately gaining control of the assets on the upside, and generating an attractive overall current return on the downside. Mezzanine strategies present an attractive option to investors who seek mid-to-high teens returns with an element of current coupon return plus some upside (in the form of warrants and prepayment penalties) as they present one of few available alternative debt options in the more constrained debt market.

### Chart VI North America Investment Focus

“In the North American market, my primary focus is (choose no more than three) ...”



Source: Probitas Partners 2008 Institutional Investor Real Estate Survey

## *The European Market*

A record-breaking amount of capital was raised in 2007 for funds focused on the European private equity real estate market as seen in Chart VII. This surge in 2007 was significantly greater than historic levels for that geography, followed by a decline in 2008; however, 2008 fundraising still represented the second highest fundraising level in history.

As the five largest economies in Europe – U.K., Germany, France, Italy, and Spain – were in or near recession in 2008, emerging economies in Central Europe were attracting greater interest. Bulgaria, Czech Republic, Poland, Romania, and Slovenia are expected to exhibit moderate but steady growth. A number of country- or region-specific property funds in Europe are focusing on Central European regions where cheap labor costs combined with accession into the European Union has made it comparatively easy to sell products throughout Europe. But as the economies in even these markets cool in response to the global slowdown, it is likely that we will see a similar retrenchment of capital back to domestic markets of the five largest economies in Europe to take advantage of perceived distressed opportunities.

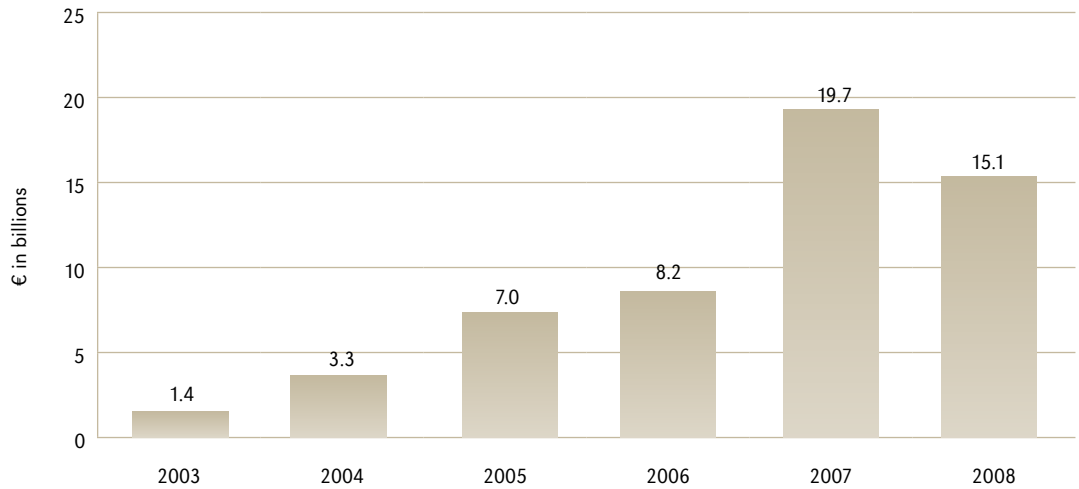
The U.K. and Spain have been the primary areas of focus for European distressed investors to date. As with the U.S. market, the U.K. real estate market is characterized by highly leveraged private owners (including

opportunity funds) and listed retail funds. Both owner groups have been impacted by current market conditions – the former taking a direct valuation hit in the credit crunch, and the latter subject to decreased valuations and a stagnant sales market.

As far as global limited partner interest in specific geographies within Europe, Probitas Partners' most recent institutional investor real estate survey reaffirmed many of these trends as seen in Chart VIII. Both Eastern Europe and Central Europe are areas of strong interest, though the U.K. leads all other sectors – that is due in large part to increasing distressed opportunities. The large number of respondents who invest only through Pan-European funds is dominated by non-Europeans who are not as familiar with the local markets.

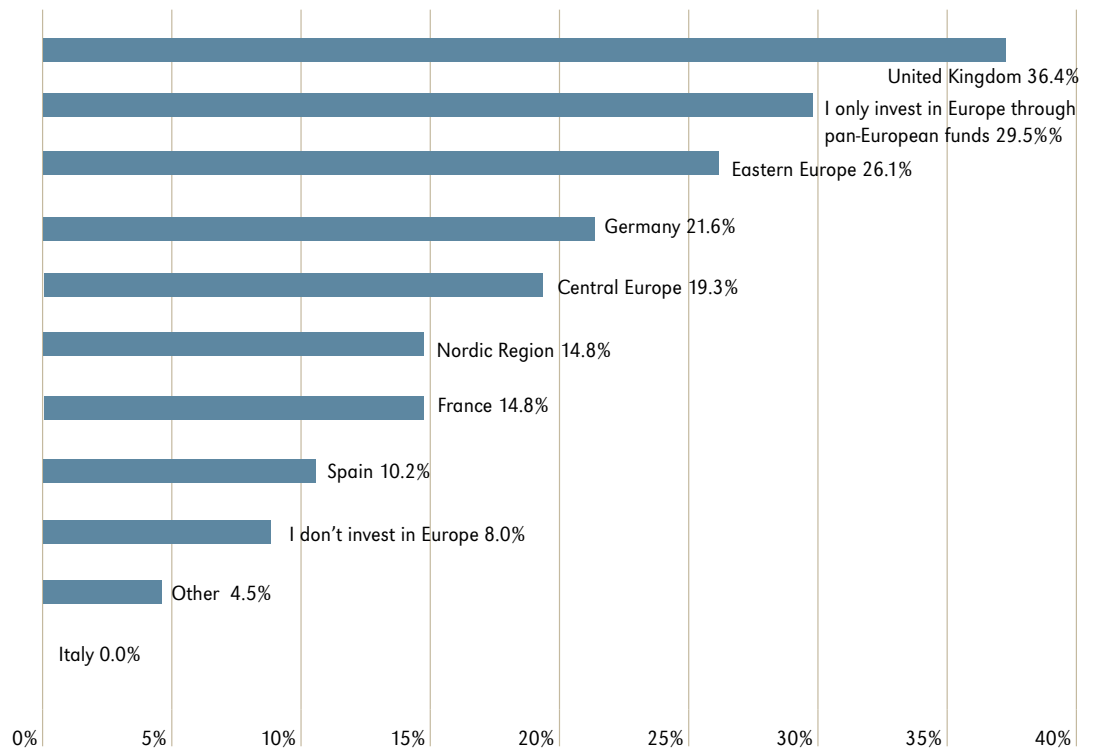
While substantial capital continues to seek European exposure, European investors continued to invest more in the U.S. (now more for distressed opportunities) notwithstanding challenges presented by U.S. tax requirements that result in diluted returns. One impact of the current market meltdown may be to allow foreign investors a more efficient means to invest in the U.S. real estate market. Properly structured U.S.-sponsored, asset-backed debt (i.e., “distressed”) strategies can offer attractive non-FIRPTA-impacted alternatives to global investors seeking tax-efficient exposure to the U.S. real asset market.

**Chart VII European Real Estate Fundraising**



Source: Private Equity Intelligence, Probitas Partners

**Chart VIII Europe Investment Focus**  
“In the European market, my primary focus is...(Choose no more than three)”



Source: Probitas Partners 2008 Institutional Investor Real Estate Survey

## The Asian Market

Asian real estate fundraising experienced significant growth during 2008, as shown in Chart IX, topping \$21 billion and raising more than twice as much as what was raised in 2007. While some were optimistic that Asia would remain insulated from the U.S.-initiated credit crisis early in 2008, the drops in stock market values across Asia reflect the significant impact of the global recession. The Asian “market” is also more heterogeneous than North America and Western Europe in terms of relative development and internal dynamics – important indicators as to how well Asian countries will weather the storm. Well-developed economies such as Japan and Australia have been badly hit by the downturn; developing economic giants like China have slowing but still positive growth; smaller emerging markets like Thailand and Vietnam are reacting with volatility.

While many larger funds raised to invest in Asia have been pan-Asian, multi-sector funds targeting broad-based institutional demand for exposure to the region, much of the deployed capital in 2008 went to China. At the end of 2008, China’s growth rate stood at 9%. While a strong growth rate by relative standards around the globe, it is off the 13% growth rate posted in 2007. Reflecting the continued decline in that economy, recently released figures peg the 2009 growth rate at 6.8%, signaling concern for

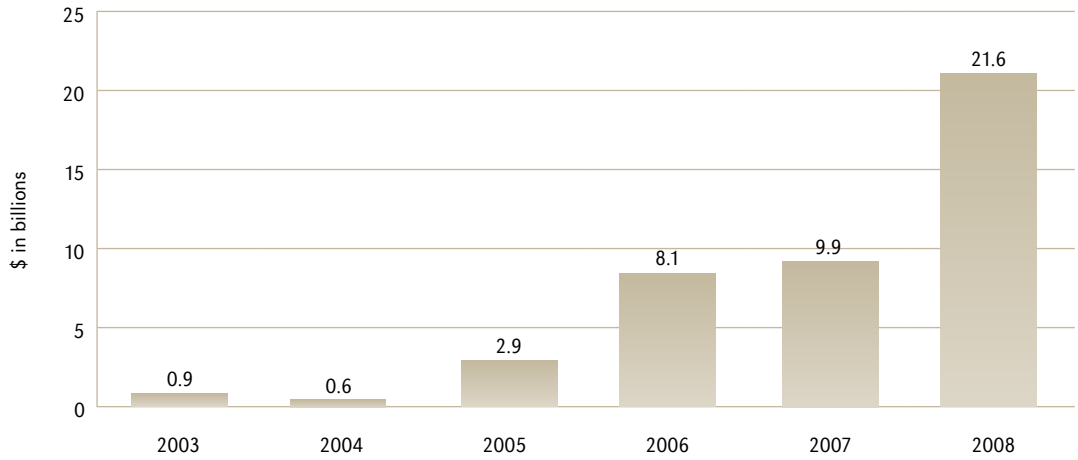
further problems in China’s real estate fundamentals. Note that positive growth rates of even 5% for China may signal a recession for its economy, and the risk of associated social destabilization. China is indeed the fountainhead of growth for the region: According to Urban Land Institute/PriceWaterhouse Coopers, the general rule of thumb is that for every percentage of Chinese GDP growth, a half percentage point is added to Asia’s developing economies, and vice versa. The broader Asian market, especially South East Asia, which had for a time looked extremely promising, has certainly shown weakness both in terms of declining export production and investors withdrawing funds *en masse* from the stock markets.

Of course, China continues to have an embedded 20% discount built into its currency, providing it a ready source for economic stimulus that nearly no other country can boast. That, and the inherent growth prospects of the economy, will ultimately continue to drive interest in China in the future – but probably with a pull-back in the near-term.

As far as global limited partner interest in specific geographies within Asia (Chart X), it is no surprise that China dominates, followed by Pan-Asian funds and funds focused on Japan. Notably, 13% of survey respondents did not invest in Asian real estate funds at all, while another 20% only had Asian exposure through global funds.

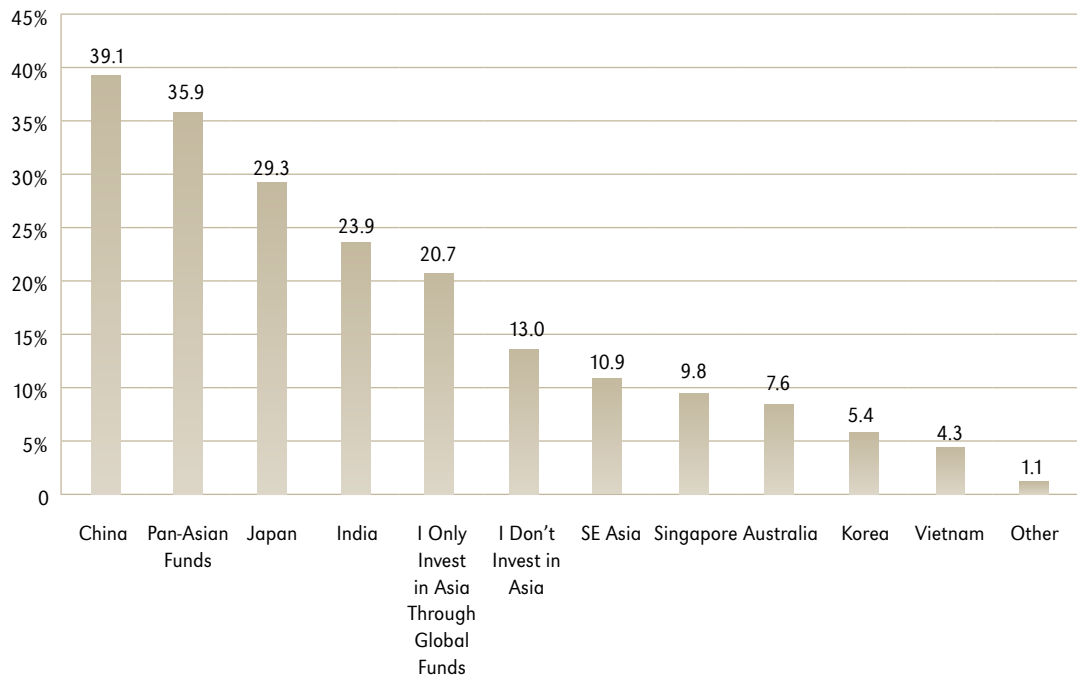


### Chart IX Asian Real Estate Fundraising



Source: Private Equity Intelligence, Probitas Partners

### Chart X Asia Investment Focus “In the Asian market, my primary focus is...” (Choose no more than three)



Source: Probitas Partners 2008 Institutional Investors Real Estate Survey

## *Emerging Markets Ex-Asia*

Interest in emerging market real estate funds was scattered globally in 2008, with a small but noticeable preference for Brazil. Many of the emerging market economies have grown quickly over the last three or four years on the back of rising commodity prices. A number of investors felt in early 2008 that growth in these markets would continue, divorced from the building problems in the more developed markets. As the year progressed, however, commodity prices collapsed as did common stock indices in these countries, demonstrating their clear link to the developed markets. Chart XI and XII show stock market activity in the Russian Trading System and Brazil's BOVESPA to illustrate the point.

Besides these trends, limited partners in North America and Europe who had been increasingly interested in the growth and diversification opportunities that these markets represented are now refocusing on distressed opportunities with strong earning potential in their home markets, theoretically with decreased currency risk.

## *Implications of Weak or Non-Existent Debt Markets*

Fund sponsors who are currently weathering the storm are proactively instituting strategies to conserve cash and re-focusing on preserving and enhancing cash flows on existing assets rather than selling them. In addition, there is new focus on

counter-party risk and refinancing risk in the face of worsening tenant market and the prospect of a long wait for return to normalized debt markets.

The true impact on asset valuations and risk from the general unavailability of debt has yet to be fully reflected in valuations and appreciated by existing asset holders. When debt markets do reopen, they will be more expensive; servicing fees for new loans will be higher and loan-to-value ratios will inevitably be lower. Certainly, covenants will have more teeth. In instances of refinancing recently acquired properties, equity will decrease or, in many instances, be wiped out. Herein lies the cautionary lesson of the perils of investing too early in a quickly-falling market. As many who have experienced previous distressed cycles in both private equity and real estate know, investors often mistake a rapidly-falling market to be indicative of "cheap" prices, as assets become available at significantly reduced prices compared with the high watermarks of recent times. In such cases, early investments that appeared to be highly discounted often turned out to have been the leading edge of the downturn and today will incur downward marks in value.

Ultimately, the debt markets will reopen. In the interim, we are concerned about the prospect of a "double bounce," where the avalanche of assets coming to market seeking refinancing will finally create transparency as to the sheer magnitude of the issue. That transparency will likely cause another bottom to fall out of the market as participants re-price that updated data in their portfolios, resulting in another round of devaluations

**Chart XI Russian Trading System**



**Chart XII BOVESPA**



Source: Yahoo Finance

and a further push-out of asset value recovery until well into 2010, or beyond. In the interim, we expect to see overall values decline during 2009 by another 50% from year-end 2008 numbers as fund sponsors slowly reflect the realities of the current market and catch up to the “real values” already indicated by REITS and other mark-to-market indicators.

At the very least, the continued upheaval in the debt markets – both the unavailability of credit and the impending take-back of underwater assets by lenders – means that increased velocity of transactions together with uncertainty caused by a lack of clarity vis-a-vis government intervention via the stimulus package, even distressed transactions, will be delayed until institutions structurally adjust to the market realities and the reality of retooling for asset takeover and operations. All of that, in turn, will cause the return to some level of normalcy for new asset transactions to be further pushed out likely well into 2010 or later.

### ***The Real Estate Secondary Market***

2008 saw increased interest in the real estate secondary market as mature investors – mostly U.S. state pension funds, foundations and endowments – proactively began to manage their real estate portfolios after a decade or more of continuous building. The credit crisis shifted the motivation during the second half of 2008 from elective portfolio management of positions to one of generating near-term liquidity (for foundations and

endowments) and addressing allocation issues as well as ensuring a lower cost of future liquidity to meet future capital calls for pension funds.

Today, many real estate investors are struggling to deal with the Denominator Effect, causing them to be over-allocated in real estate, as private market valuations lag public markets. The pressure has been heightened by a cessation of realizations on existing fund investments – the source of self-funding for a material portion of unfunded commitments over the past three to five years. In addition, many pundits actually are of the opinion that institutional investors are suffering not from a Denominator Effect, but rather the Numerator Effect caused by fund sponsors failing to mark assets to fair value so that they are in sync with the rest of institutional portfolio assets (i.e., fixed income and public assets that already reflect fair value given their nature).

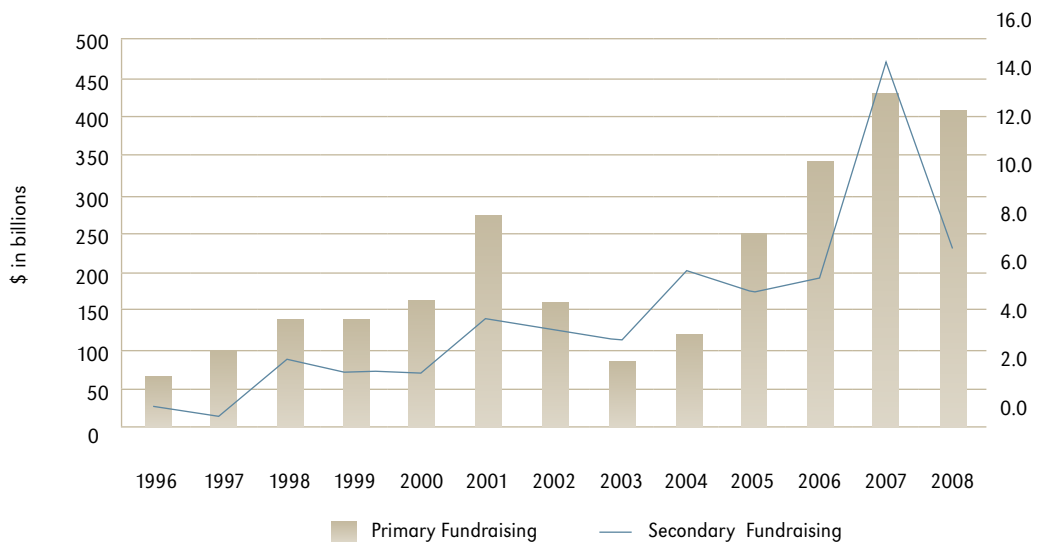
As a result of all of these factors, we expect 2009 to be the first of several record years in terms of buying and selling private equity real estate interests. As one of the leading specialists in the real estate secondary market, we are privy to a substantial and growing cache of portfolios likely to come to market in 2009. The volume of potential portfolio sales today already dwarfs the established base of dedicated real estate secondary fund capital. But we also expect to see that base grow dramatically in the coming year in response to the tsunami of motivated seller positions coming to market.

The current state of the real estate secondaries market is analogous to the

evolution of the private equity market. Any secondary market is heavily dependent upon primary market deal flow and the establishment of a critical mass of available positions in the primary market. The tremendous expansion of the private equity real estate market over the last three years (see Chart I for details) has created the critical mass necessary to attract trained professionals to the market who have the skills to price and execute transactions, and the capital to back them. As noted in Chart XIII below, private equity reached this point

in the late 1990s, and the private equity secondary sector then expanded significantly in the early 2000s, with an increased flow of fund positions coming to market following the bursting of the tech bubble. On a steady state basis in private equity, 3% to 5% of positions trade in the market in any one year, though extraordinary opportunities exist in times of market dislocation – such as what we are experiencing now. For real estate secondary funds, 2009 and 2010 could well be what 2003 and 2004 were for private equity secondary funds.

**Chart XIII Private Equity Markets Fundraising  
Primary Commitments vs. Secondary Capital Raised**



*Note: Secondary total is for dedicated secondary funds and excludes significant capital dedicated to secondary acquisitions by fund-of-funds with secondary allocations and primary investors with secondary buying programs.*  
*Source: Venture Economics/Probitas Partners*

Given the amount of money committed to private equity real estate funds over the last three years and applying the rough metric of private equity secondary activity to that number, one would expect that \$8 billion to \$14 billion in real estate secondary positions to be coming to market. Due to the turmoil in the capital markets, we are actually seeing more activity than this, while at the same time the amount of dedicated capital available through specialist secondary funds is a fraction of this total. A summary of the current real estate secondary funds in the market is presented in Chart XIV, and if all these funds successfully close at target in 2009, it would be by far a new fundraising high for the sector – but may still be significantly less than demand.

In addition, we expect that many of the secondary funds that have historically focused exclusively in the private equity arena will expand their interest to include real assets with the expectation that notable,

high-quality manager positions will come to market in 2009. At the same time, new entrants to the market are likely to be attracted by the flow of motivated sellers seeking liquidity for real estate holdings. All of this broadening of the market on the buy side is a healthy and natural development similar to what we witnessed in the private equity market, ultimately creating larger, more durable and more predictable liquidity options for the private equity real estate market.

Beyond the expansion of dedicated secondary fund players into real estate, we expect to see sophisticated limited partners, especially newer sovereign wealth funds and other relative newcomers, seek to capitalize on the secondary market opportunity. The current environment allows such investors several benefits: to build historically diverse portfolios, to gain access to specific managers and potential strategic relationships, and to mitigate the J-curve of new investments.

### Chart XIV Real Estate Secondary Funds In or Coming to Market

Fund	Manager	Size (\$MM)	Fund Status
CS Strategic Partners IV RE	CS Strategic Partners	420	First Close
Landmark Real Estate Fund VI	Landmark Partners Real Estate	750	Raising
Liquid Realty Partners V	Liquid Realty Partners	800	Raising
Partners Group Real Estate Secondary Fund	Partners Group	1,000	Coming to Market
<b>Total</b>		<b>\$2,970</b>	

Source: Probitas Partners

## Infrastructure

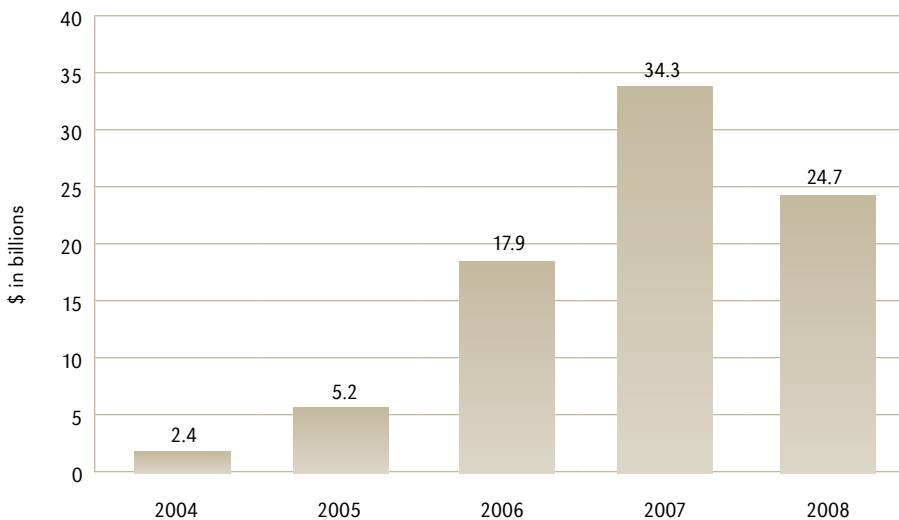
Infrastructure investing has emerged as a growing focus among institutional investors globally. Infrastructure fundraising has risen dramatically over the last five years, as detailed in Chart XV. Though the turbulent capital markets of 2008 slowed investor commitments from 2007's record level of \$34 billion, the \$25 billion raised during 2008 was still ten times the capital committed in 2004, when we started tracking infrastructure fundraising totals. As of January 2009, there were 77 funds in or coming to market in the sector seeking \$92 billion in capital.

Even with this strong growth, infrastructure as an asset allocation for institutional investors is still in its nascent stages in many markets. Many institutional investors,

especially in the U.S., are in the process of launching formal infrastructure programs or are investigating whether they should. Many of those that have formal programs are new to the sector, with relatively few legacy investments, and infrastructure allocations that allow room for new investment, unlike real estate and private equity allocations that have been curtailed by virtue of the denominator effect.

Demand for private capital in infrastructure investments remains very strong. Strained public debt markets, an unwillingness to increase taxes to pay for new projects, and a growing urgency to address new and deferred infrastructure needs have increasingly caused public entities to seek third-party capital for a growing universe of rehabilitated Brownfield and Greenfield infrastructure projects.

**Chart XV Global Infrastructure Fundraising**



Source: Private Equity Intelligence, Private Equity Analyst, Probitas Partners



In the U.S. in particular, the Obama administration is focusing on increased infrastructure spending to boost the economy and increase employment, and it is encouraging private capital to assist in that process. But the U.S. is not alone in this regard; China has just announced a major infrastructure program for just the same reasons. And though these programs are focused on Greenfield or Rehabilitated Brownfield projects, at local levels in developed markets governments are also increasingly looking to sell established Brownfield assets in order to generate cash to address budget problems.

Growth in the number of infrastructure funds and differentiated strategies within the space (i.e., Brownfield, Greenfield, Rehabilitated Brownfield, geographically focused, sub-sector focused, etc.) is creating new options for investors as they define their interest in the sector. Rehabilitative Brownfield strategies that improve or expand existing infrastructure assets offer an attractive risk/return profile by reducing the effects of the J-curve; Greenfield approaches generally take longer to attain realizations but can generate significantly greater returns while moderating risk by virtue of proper structuring via typically proprietary negotiations.

Investors are “relearning” infrastructure investment fundamentals. For nearly a decade, Brownfield-oriented fund sponsors taught investors that Brownfield investing was low risk and anything else was high risk, running along a risk continuum from Brownfield to Rehabilitated Brownfield to Greenfield.

But this oversimplified the realities of the risks presented by Brownfield investments and misstated the reality of risks presented by other investments. Brownfield investing became very crowded and competitive with the advent of several large Brownfield funds formed by investment banks and other financial sponsors. The result was intensely competitive bidding, often based on aggressive assumptions and aggressive financing via cheap and abundant debt. This competition drove down returns but also dramatically increased financial risk. As the economy cooled and projects failed to deliver on the underlying assumptions, the cash flow failed to cover debt service on highly leveraged assets. Now many of these theoretically “safe” or low risk assets are distressed, and ironically represent investment opportunities for new infrastructure funds today.

The heightened competition in the Brownfield space forced yields to single digits. At that level, the prospect of global Brownfield funds delivering on their promise of mid-teens returns is unlikely. Furthermore, investor appetite for a 1.5% management fee and 20% carry on such returns will not likely continue.

Interestingly, Greenfield investments can offer better risk/return attributes than Brownfield investments, as in the case where in a proprietary transaction (rather than an auction) the development risk is laid off on strong, experienced counter parties and the finished project is subject to an availability agreement or other concession. It is impossible to generalize the risk profile of

Greenfield and Brownfield projects, because it is contingent upon the interplay among multiple factors including leverage, development, completion, market and revenue risks. Sophisticated investors will take into account all of these factors in assessing different fund strategies and projected returns and carefully select managers with proven risk management, deal structuring and asset management expertise.

A growing number of large institutional investors in Canada, Australia, the Middle East and Europe continue to build large, capable direct investment teams that compete directly with infrastructure funds to acquire infrastructure assets. Nearly all of this competition continues to be focused in the Brownfield arena where pricing has been bid up substantially in the past three years. While at its very early stages, we see the evolution of infrastructure investment portfolio construction as analogous to real estate portfolio construction, where investor preference will quickly shift from purely “allocator” funds (mostly Brownfield funds) to include operationally-adept and geographically-focused funds (mostly Rehabilitated Brownfield and Greenfield funds) in order to generate more attractive returns with mitigated risk.

Ultimately, we see the clear evolution in most institutional infrastructure portfolios to include a diverse array of funds and holdings that will represent core (Brownfield), value-added (Rehabilitated Brownfield and Greenfield) and opportunistic strategies (private equity-oriented, company level investments managing underlying

infrastructure type assets), akin to the core, core-plus and opportunistic strategies seen in most real estate portfolios today.

We also expect to see a growing number of large independent infrastructure funds arising in response to market demand and opportunities for teams that spin out of existing Brownfield funds that are unlikely to raise future funds. As can be seen in Chart XVI, the largest existing infrastructure funds were sponsored by financial institutions, many of which are in stress or have already experienced structural change. Probitas Partners’ recent infrastructure investor survey indicates that most institutional investors prefer independent platforms that minimize potential conflicts of interest and enhance team stability to match the long-term nature of infrastructure assets. The turmoil in the capital markets and the impact on many of these sponsors is likely to result in a continued migration toward independent spinoffs over the next two years.

As a consequence of all of these factors, we expect to see infrastructure fundraising rebound and be quite robust in 2009, likely after a hiatus in the earlier part of 2009 as institutions reevaluate capital deployments generally. One of the interesting new drivers of this renewed interest in infrastructure investing will be the rotation of some allocations at foundations and endowments out of private equity investments into more conservative strategies that include current cash generating investments to provide stable cash flow for operations at their institutions.

**Chart XVI Ten Largest Infrastructure Funds, February 2009**

Rank	Fund Name	Firm Name	Location	Year	Amount (\$MM)
1	GS Infrastructure Partners II	GS Infrastructure Investment Group	New York	In Market	7,500
2	Macquarie European Infrastructure Partners III	Macquarie Funds Management Group	London; Sydney	In Market	€5,000
3	GS Infrastructure Partners	Goldman Sachs Private Equity Group	New York	2006	6,500
4	Macquarie European Infrastructure Partners II	Macquarie Funds Management Group	London; Sydney	2007	€4,600
5	Macquarie Infrastructure Partners II	Macquarie Funds Management Group	London; Sydney	In Market	6,000
6	Global Infrastructure Partners I	Global Infrastructure Partners	New York	2008	5,640
7	Macquarie Infrastructure Partners	Macquarie Funds Management Group	Sydney	2008	4,000
8	Morgan Stanley Infrastructure	Morgan Stanley	New York	2008	4,000
9	aAIM Infrastructure Fund	aAIM Infrastructure	London	In Market	£2,000
10	AIG Highstar Capital III	AIG Investments – Infrastructure	New York	2007	3,500

Source: Probitas Partners  
 Rankings based upon currency valuations in February 2009

## CONCLUSION

Despite current economic uncertainty and capital market unrest, investors continue to exhibit optimism towards hard asset performance attributes and seek a range of strategies that promote cash generation and appreciation. Infrastructure, with its growing global recognition as an efficient liability-matching asset and its sustainable demand, offers many investors longer-term, stable real asset investment exposure that will approach and may even exceed the scale of real estate allocations over time.

Real estate will have to endure a near complete restructuring before it returns to some semblance of normalcy – likely a multi-year process that will start with proper valuations and recognition of the magnitude of the issues and then grinding through retaking of assets and the gradual process of reselling those assets, lubricated by a slowly-opening credit market. Thus, the first opportunities in the real estate arena will inevitably be in the credit sphere for the foreseeable future. We expect to see most fundraising focused there in 2009, but fundraising will be constrained by allocation and liquidity issues at most institutions. They increasingly will be looking to the rapidly developing secondary market to address those issues.

Thus, the key trends we see for 2009 include:

- *Legacy portfolio valuations:* Valuations on legacy investments already in portfolio will be negatively impacted both by the global economic downturn and constrained debt markets. At this point, credit markets are effectively shut, and assets that must be refinanced in the near-term will be hurt both by the availability (or lack of availability) of credit and its pricing. We anticipate many assets will be taken back by lenders as the value to debt ratios go negative and investors will be loathe to step in to protect such assets in the face of other demands on their scarce liquidity.
- *Likelihood of a follow-on financing crisis:* When debt markets do reopen, the expected avalanche of refinancing demand will make transparent the magnitude of problems that need to be worked through. That may spook lenders and the broader market, and result in the financing window closing again, causing another round of devaluations in response and further push out recovery until well into 2010, or beyond.

- *Real estate opportunities in 2009:* Even in this environment, there will be opportunities in 2009 driven by stress and dislocation. Fund managers best positioned to capitalize on this situation will be those who:
  - Have experience investing in down cycles. Given that the global economy is in recession, there is no safe haven to run to; fund managers with proven expertise surviving and thriving in down markets will be sought after.
  - Know not to invest too early. One of the important benefits of experience is having a feel for when a market is near the bottom and the discipline to act accordingly. Too many inexperienced investors buy assets that look cheap, only to find that prices had much farther to fall.
  - Possess operating as opposed to pure financial skills. In markets like these, operating skills are at a premium and leverage no longer drives returns.
- *Developed markets are likely to benefit over emerging markets:* In 2006 and 2007, strong economic growth in emerging markets attracted investment capital as the return potential outweighed currency, structural and political risk. With developed markets fully priced, these emerging markets looked relatively much more attractive. In 2008 it became evident that these economies were not immune from developed market economic downturn and opportunities for strong returns in distressed investing in developed markets refocused investors' attention domestically on such opportunities in 2009.
- *Infrastructure will continue to be a sector of investor focus:* Infrastructure allocations are in general newer and less burdened, while at the same time many governments are pushing private investments in the sector to help with their budget needs, to address acute and pressing need for infrastructure investment in failing assets, and to stimulate job creation.
- *Real estate secondaries:* The current economic crisis has shifted the focus of real estate secondaries from elective portfolio management to necessary allocation and liquidity relief for institutions experiencing stress in their portfolios. As a consequence, the flow of for sale fund positions is set to expand dramatically in 2009, and we expect to see dedicated capital in the form of real estate secondary funds to grow in response. Already today, dedicated real estate secondary funds are in market seeking over \$3 billion in capital.



## FUNDS IN OR COMING TO MARKET

GLOBAL FUNDS .....	29
NORTH AMERICAN FUNDS .....	30
EUROPEAN FUNDS .....	36
ASIAN FUNDS .....	39
LATIN AMERICAN FUNDS .....	42
MIDDLE EASTERN/NORTH AFRICAN FUNDS .....	43
OTHER EMERGING MARKETS .....	43
MEZZANINE & DEBT FUNDS .....	44
SECONDARY FUNDS .....	46
INFRASTRUCTURE FUNDS .....	47

*Probitas Partners does not include information on funds it is currently offering in this listing; qualified investors seeking information on Probitas Partners' placed funds should contact Probitas Partners directly in order to have the most complete picture of all institutional funds currently in the market.*

*Investors interested in information on Private Equity funds may request a copy of Probitas Partners Private Equity Deskbook by emailing [info@probitaspartners.com](mailto:info@probitaspartners.com).*

# FUNDS IN OR COMING TO MARKET

FUNDS IN MARKET OR THOUGHT COMING TO MARKET OVER THE NEXT 12 MONTHS

AS OF FEBRUARY 2009

Fund Size (MM) in \$U.S. Unless Marked

Note: Does not include funds currently being placed by Probitas Partners

Fund/Parent	Current	Last	Market Status	Strategy	Web Site	Year Founded	Offices
<b>Global Funds</b>							
Beacon Capital Strategic Partners VI/ Beacon Capital Partners	6,000	4,000	In Market	U.S./Europe Diversified	www.beaconcapital.com	1998	Boston
DLJ Real Estate Capital Partners IV/ DLJ Real Estate Partners	2,500	1,150	In Market	Global Diversified	www.credit-suisse.com	1996	New York; London; Zurich; Tokyo
Dune Real Estate Fund II/ Dune Capital Management	1,250	727	In Market	U.S./ Europe Diversified	N/A	2004	New York
Fortress Investment Fund VI/ Fortress Investment Group	6,000	5,000	In Market	U.S./ Europe Diversified	www.fortressinv.com	1998	New York
HDG Mansur International Property Fund/ HDG Mansur	200	N/A	In Market	Europe/ U.S. Diversified	www.hdgmansur.com	1982	London
ING Real Estate Global Opportunistic Fund/ ING Real Estate Investment Management	1,500	N/A	In Market	Global Diversified	www.ingrealestate.com	N/A	London
Lone Star Real Estate Fund II/ Lone Star Funds	10,000	2,500	Coming to Market	Global Diversified	www.lonestarfunds.com	1995	Dallas; New York; London; Paris; Frankfurt; Tokyo
Morgan Stanley Real Estate Fund VII Global/ Morgan Stanley	10,000	8,000	In Market	Global Diversified	www.morganstanley.com/realestate	1969	New York
OCM Real Estate Opportunities Fund IV/ Oak Capital Management	1,000	692	In Market	Global Diversified	www.oaktreecapital.com	N/A	Los Angeles
RREEF Global Opportunities Fund III/ RREEF Real Estate	3,000	1,600	In Market	Global Diversified	www.rreef.com	N/A	New York
WCP Real Estate Fund 2/ Westport Capital Partners	500	500	In Market	Global Distressed	www.westportcp.com	2006	Westport, CT; El Segundo, CA; Mumbai



Fund Size (MM) in \$U.S. Unless Marked

Note: Does not include funds currently being placed by Probitas Partners

Fund/Parent	Current	Last	Market Status	Strategy	Web Site	Year Founded	Offices
<b>North American Funds</b>							
Abacus Mutli-Family Partners II/ Abacus Capital partners	350	N/A	In Market	U.S. Multifamily	www.abacuscapitalgroup.com	N/A	New York
AEW Partners VI/ AEW Capital Management	750	686	In Market	U.S. Special Situations	www.aew.com	1981	Boston
AEW Senior Housing Investors/ AEW Capital Management	500	N/A	In Market	U.S. Senior Housing	www.aew.com	1981	Boston
AG Net Lease Realty Fund II/ Angelo, Gordon & Co.	300	N/A	In Market	U.S. Net Lease	www.angelogordon.com	1988	New York
Amstar Partners Office Opportunity Fund/ Amstar Group	300	N/A	In Market	U.S. Office	www.amstargroup.com	1987	Denver
APCA Property Fund II/ Ashforth Paradigm Capital Advisors	150	52	In Market	U.S. Diversified	www.ashforthparadigm.com	1896	Boston
AREA Investment Fund VI/ AREA	1,000	700	In Market	U.S. Diversified	www.apollorealestate.com	1993	New York
Arden Real Estate I/ Arden Group	125	N/A	In Market	North America Distressed Hospitality	www.ardengroup.com	1989	Philadelphia
AREA Real Estate Opportunity Fund VI/ AREA Property Partners	1,000	700	In Market	North America Distressed	www.areapropertypartners.com	1993	New York
Aslan Realty Partners IV/ Transwestern Investment Company	800	N/A	In Market	U.S. Commercial	www.transinvestco.com	1996	Chicago
Avanath Affordable Capital/ Avanath Capital Partners	300	N/A	In Market	U.S. Affordable Housing	www.avanath.com	1989	Irving, TX; Carlsbad, CA
Baypoint Canada Income Fund/ Baypoint Advisors	250	N/A	In Market	Canadian Office and Industrial	www.baypointadvisors.com	N/A	Marblehead, MA; Toronto
BCOM Ullico Southern Fund/ Union Labor Life	350	N/A	In Market	U.S. Sunbelt Diversified	www.ullico.com	1925	Washington, D.C.
Beacon Capital Strategic Partners VI/ Beacon Capital Partners	6,000	4,000	In Market	U.S. Office	www.beaconcapital.com	1998	Boston

Fund Size (MM) in \$U.S. Unless Marked

Note: Does not include funds currently being placed by Probitas Partners

Fund/Parent	Current	Last	Market Status	Strategy	Web Site	Year Founded	Offices
Berman Enterprises Opportunity Fund/ Giuliani Partners & Berman Enterprises	500	N/A	In Market	N.Y.C/ Washington, D.C. Diversified	www.giulianipartners.com	2004	New York
Bond Companies Sustainability Fund/ Bond Companies	350	N/A	In Market	U.S. Sustainable	www.bondcompanies.com	1987	Los Angeles
Buckingham Real Estate Opportunity Fund/ Buckingham Real Estate	250	N/A	In Market	U.S. Multifamily Value-add/ Distressed Debt	N/A	1984	Indianapolis, IN
Brandywine Opportunities Fund/ Brandywine Financial Services	500	N/A	In Market	U.S. Diversified	www.brandywine-financial.com	1972	Chadds Ford, PA
Bruin Fund/Thompson National Properties	250	N/A	In Market	U.S. Diversified	www.tnpre.com	2007	Irvine, CA
Bryanston Real Estate Opportunity Fund II/ Bryanston Realty Partners	250	150	In Market	U.S. Distressed	www.bryanstonrp.com	2004	Chicago
BSEP Sponsor Equity Fund II/ BlueStone Real Estate Capital	200	N/A	In Market	U.S. Opportunistic	www.bluestonecap.com	1998	Philadelphia; Palm Beach
Buckingham Real Estate Opportunity Fund/ Buckingham Real Estate	250	N/A	In Market	U.S Opportunistic	www.buckingham-co.com	1984	Indianapolis, IN
CAM Industrial Value Fund II/ Cohen Asset Management	300	N/A	In Market	U.S. Industrial	www.cohenasset.com	2007	Beverly Hills, CA
Cantor Real Estate Fund/Cantor Fitzgerald	325	N/A	In Market	U.S. Diversified	www.cantor.com	2008	New York
Canyon Johnson Urban Communities Fund/ Canyon-Johnson Urban Funds	1,250	600	In Market	U.S. Diversified	www.cjuf.com	2002	Beverly Hills, CA
Cerberus Institutional Real Estate Partners II/ Cerberus Real Estate Capital Management	3,000	890	In Market	U.S. Distressed	www.cerberuscapital.com	1994	New York; Los Angeles
Ceres Urban Realty Fund/ BlakelyStern Investment Advisors	250	100	In Market	U.S. Diversified	www.blakelystern.com	2003	New York
Chesapeake Real Estate Value Investors II/ Legg Mason Real Estate Investors	250	60	In Market	U.S. Diversified	www.lmrei.com	N/A	Los Angeles
CityView LA Urban Land Fund I/ American CityVista & Saybrook Capital	100	N/A	In Market	California Diversified	www.americancityvista.com	N/A	San Antonio; Santa Monica
Consortium 4/Bernstein Companies	100	N/A	In Market	Mid-Atlantic Office	www.thebernsteincompanies.com	1933	Washington, D.C.

Fund Size (MM) in \$U.S. Unless Marked

Note: Does not include funds currently being placed by Probitas Partners

Fund/Parent	Current	Last	Market Status	Strategy	Web Site	Year Founded	Offices
Debartolo Community Retail Fund/ Debartolo Development	400	N/A	In Market	U.S. Retail	www.debartolodevelopment.com	N/A	Tampa, FL
E2M Value-added Fund II/ E2M Partners	600	N/A	In Market	U.S. Diversified	www.e2mpartners.com	2004	Dallas
ECM Income & Growth Fund III/ Equity Capital Management	250	100	In Market	U.S. Diversified	www.ecm-funds.com	1989	Chicago
Eurotrade NPL Fund I/Eurotrade Capital	100	N/A	In Market	U.S. Distressed	www.eurotradecapital.com	1951	Boca Raton, FL
Fides Real Estate Direct Lending and Distressed Opportunity Fund/ Fides Capital Management	300	N/A	In Market	U.S. Distressed	www.fidescapitalmanagement.com	N/A	Pasadena, CA
Glenmont Real Estate Partners III/ Glenmont Capital Management	300	N/A	In Market	U.S. Distressed	www.glenmontcapital.com	N/A	New York
Guardian Realty Fund III/ Guardian Realty Investors	500	114	In Market	Washington, D.C. Office	www.guardian-realty.com	1966	Bethesda, MD
H/2 Special Opportunities/ H/2 Capital Partners	500	N/A	In Market	U.S. Special Opportunities	N/A	2008	Stamford, CT
Haveland Property Investors/ Haveland Estates	200	N/A	In Market	U.S. Office & Multifamily	www.havelandprop.com	2005	Stamford, CT
Hawaii Real Estate Opportunity and Development Fund/Hawaii Fund Managers	300	N/A	In Market	Hawaii Hospitality	N/A	2008	N/A
HDG Mansur Opportunity Fund I/ HDG Mansur	350	N/A	In Market	SE & SW U.S. Diversified	www.hdgmansur.com	1982	London
Heitman Strategic Finance Partners/ Heitman Real Estate Investment Management	300	N/A	In Market	U.S. Diversified	www.heitman.com	1966	Chicago
Highland Capital Real Estate Opportunity Fund/ Highland Capital Management	500	N/A	In Market	U.S. Diversified	www.hcmlp.com	1998	New York; Dallas
High Performance Green Fund/ Thomas Properties Group	275	N/A	In Market	U.S. Diversified	www.tpgre.com	1996	Los Angeles
High Street Real Estate Fund III/ High Street Equity Advisors	350	400	In Market	U.S. Diversified	www.hsequity.com	2002	Boston

Fund Size (MM) in \$U.S. Unless Marked

Note: Does not include funds currently being placed by Probitas Partners

Fund/Parent	Current	Last	Market Status	Strategy	Web Site	Year Founded	Offices
Hudson Realty Capital V/ Hudson Realty Capital	500	350	In Market	U.S. Diversified	www.hudsonrealtycapital.com	2003	New York; Portland, ME; Miami
Hunter Chase Real Estate Opportunity Fund/ Hunter Chase & Co.	250	N/A	In Market	U.S. Diversified	www.hunterchase.com	2001	Irving, TX; Carlsbad, CA
Hutensky Capital Partners II/ Hutensky Group	150	N/A	In Market	U.S. Shopping Center	www.hutenskygroup.com	1979	Hartford
Integrated Capital Hospitality Fund/ Integrated Capital	200	N/A	In Market	N. America Diversified	www.integrated-capital.com	2003	Buffalo, NY
JP Morgan Urban Renaissance Property Fund/ JP Morgan Asset Management	500	N/A	In Market	U.S. Urban	www.jpmorgan.com	N/A	New York
Kelton Real Estate/Kelton Companies	100	N/A	In Market	U.S. Diversified	www.keltoncompanies.com	2008	Phoenix, AZ
KMF Senior Generation Fund/ KMF Senior Housing Investors	300	N/A	In Market	U.S. Senior Housing	www.kmfseiorhousing.com	N/A	Chicago
Latus Real Estate Partners Parallel Fund I/ Latus Partners	100	N/A	In Market	U.S. Debt	www.latuspartners.com	N/A	New York
Lowe Hospitality Investment Partners II/ Low Enterprise Investors	350	266	In Market	U.S. Hospitality	www.loweenterprises.com	1972	Los Angeles; Denver; Irvine; Phoenix; San Francisco; Sacramento; Washington, D.C.
Low Real Estate Income and Growth Partners II/Lowe Enterprises Investors	350	N/A	In Market	U.S. Distressed	www.loweenterprises.com	1972	Los Angeles; Denver; Irvine; Phoenix; San Francisco; Sacramento; Washington, D.C.
Lubert-Adler Real Estate Fund VI/ Lubert-Adler	2,600	1,700	In Market	N. America Diversified	www.lubertadler.com	1997	Philadelphia
Macfarlan Special Situations Fund I/ Macfarlan Capital Partners	300	N/A	In Market	U.S. Distressed	www.macfarlan.com	1984	Dallas
Macfarlane Urban Real Estate Fund III/ Macfarlane Partners	1,500	1,000	In Market	U.S. Urban	www.macfarlanepartners.com	1987	San Francisco

Fund Size (MM) in \$U.S. Unless Marked

Note: Does not include funds currently being placed by Probitas Partners

Fund/Parent	Current	Last	Market Status	Strategy	Web Site	Year Founded	Offices
Mesirow Financial Real Estate Value Fund/ Mesirow Financial Institutional Real Estate	250	N/A	In Market	U.S. Diversified	www.mesirowfinancial.com	1937	Chicago
Metzler U.S. Real Estate Fund II/ Metzler Realty Advisors	300	N/A	In Market	U.S. Diversified	www.metzlerna.com	1976	Seattle
Next Block Medical Fund II/ Valencia Capital Management	500	N/A	In Market	U.S. Diversified	www.valenciacm.com	2004	Dallas
NL Ventures VIII/AIC Ventures	100	N/A	In Market	U.S. Office & Industrial	www.aicventures.com	N/A	Austin
Omega Opportunity Fund I/ Omega Commercial Finance Corporation	1,000	N/A	In Market	U.S. Distressed	www.omegafinancial.com	N/A	Miami
Onex Real Estate Partners II/ Onex Real Estate Partners	600	230	In Market	U.S. Diversified	www.onex.com	2005	New York
Pacifica Senior Housing Fund/ Pacifica Equity Partners	300	N/A	In Market	U.S. Senior Housing	www.pacificaequitypartners.com	1980	San Diego, CA
Page Mill Properties 3/ Page Mill Properties	500	N/A	In Market	U.S. Diversified	www.pagemill.com	1993	Palo Alto
Parmenter Realty Fund IV/ Parmenter Realty Partners	500	245	In Market	Southern U.S. Office	www.parmco.com	1989	Miami
Perseus Realty Partners II/ Perseus Realty Partners	200	210	In Market	U.S. Diversified	www.perseusrealtypartners.com	2005	Washington, D.C.
PLA Retail Fund I/ Prameria Real Estate Investors	425	N/A	In Market	U.S. Retail	www.pramericarei.com	N/A	Parsippany, NJ
PRECO IV/Prameria Real Estate Investors	500	N/A	In Market	U.S. Retail	www.pramericarei.com	N/A	Parsippany, NJ
Prescott GNLPC Corporate Partners/ Prescott GNLPC Capital	200	N/A	In Market	U.S. Office	www.prescott-gnlp.com	2007	New York
PRG National Value Added Fund/ Phoenix Realty Group	200	N/A	In Market	U.S. Diversified	www.phoenixrg.com	N/A	New York; Los Angeles
Prudential Senior Housing Partners IV/ Prudential Real Estate Investors	500	300	In Market	U.S. Senior Housing	www.prudential.com/prei	N/A	Parsippany, NJ

Fund Size (MM) in \$U.S. Unless Marked

Note: Does not include funds currently being placed by Probitas Partners

Fund/Parent	Current	Last	Market Status	Strategy	Web Site	Year Founded	Offices
Residential Income and Value-Added II/ Tuckerman Group	200	150	In Market	U.S. Income	www.thetuckermangroup.com	1998	Rye Brook, NY
RockBridge Hospitality Fund V/ RockBridge Capital	200	N/A	In Market	U.S. Hospitality	www.rockbridgecapital.com	1999	Columbus, OH
RXR RexCorp Real Estate Opportunity Fund II/ RXR Rexcorp Realty	800	N/A	In Market	New York Area Diversified	www.rexcorprealty.com	N/A	Uniondale, NY
Schuster Realty Partners I/Schuster Group	100	N/A	In Market	U.S. Diversified	www.theschustergroup.com	1989	Seattle
Sentinel Multifamily Value-Added Fund/ Sentinel Real Estate Corporation	350	N/A	In Market	Southern U.S. Multifamily	www.sentinelcorp.com	1969	New York
Southwest Next Fund I/ Southwest Next Capital Management	500	N/A	In Market	SW U.S. Distressed Residential	www.southwestnext.com	2008	Phoenix, AZ
Square Mile Partners III/ Square Mile Partners	850	561	In Market	U.S. Distressed	www.squaremilecapital.com	2006	Greenwich, CT
STAG Investments V/STAG Capital Partners	400	50	In Market	U.S. Diversified	www.stagcapital.com	2003	Boston
Sterling American Property VI/ Sterling American Property	700	610	In Market	U.S. Multifamily and Office	www.sterlingamerican.com	1981	New York
Stockbridge Real Estate Fund III/ Stockbridge Capital Partners	2,500	1,000	In Market	U.S. Diversified	www.sbfund.com	2003	San Francisco
Stockbridge Value Fund/ Stockbridge Capital Partners	700	N/A	In Market	U.S. Diversified	www.sbfund.com	2003	San Francisco
Stoltz Real Estate Fund III/ Stoltz Real Estate Partners	375	145	In Market	U.S. Diversified	www.stoltzusa.com	2003	Bala Cynwyd, PA
Strategic Partners Value Enhancement Fund II/ Strategic Capital Partners	500	250	In Market	U.S. Diversified	www.strategiccaptialpartners.net	2005	Chicago
Sunbelt Residential Distress Fund/ Askenazy & Agus Ventures	250	N/A	In Market	U.S. Distressed	www.aaventures.com	1991	Boca Raton, FL
TA Associates Realty Fund IX/ TA Associates Realty	1,750	1,500	In Market	U.S. Diversified	www.tarealty.com	N/A	Boston

Fund Size (MM) in \$U.S. Unless Marked

Note: Does not include funds currently being placed by Probitas Partners

Fund/Parent	Current	Last	Market Status	Strategy	Web Site	Year Founded	Offices
TIAA-CREF U.S. Real Estate Fund I/ TIAA-CREF	300	N/A	In Market	U.S. Diversified	www.tcasset.com	2004	New York
TriGate Property Partners/TriGate Capital	350	N/A	In Market	U.S. Diversified	www.trigatecapital.com	N/A	Dallas
Trinity Restoration Fund/ Trinity Investment Partners	300	N/A	In Market	U.S. Environmentally Responsible	www.trinity-ip.com	2007	Stockton, CA
Tucker Development and Acquisition Fund/ Tucker Development Corporation	300	N/A	In Market	U.S. Diversified	www.tuckerdevelopment.com	1996	Chicago
U.S. Residential Opportunity Fund I/ Pacifica Equity Partners	250	N/A	In Market	U.S. Sunbelt Distressed	www.pacificaequitypartners.com	N/A	San Diego, CA
Western National Realty Fund II/ Western National Realty Advisors	300	50	In Market	U.S. Diversified	www.wng.com	1981	Irvine, CA
<b>European Funds</b>							
Aerium Fairfield Special Opportunities Fund/ Aerium & Fairfield Greenwich Group	€ 500	N/A	In Market	Europe Diversified	www.aerium.com	2003	London
Blackstone RE Partners Europe III/ Blackstone Group	€ 3,000	€ 1,550	In Market	Europe Diversified	www.blackstone.com	1992	London; Paris
BPT Hansa Lux/Baltic Property Trust	€ 300	€ 300	In Market	Germany Commercial	www.balticpropertytrust.com	2001	Copenhagen
Brockton Capital II/Brockton Capital	£300	£150	In Market	U.K. Distressed	www.brocktoncapital.com	2006	London
Cadena Student Housing Growth Fund/ Cadena Holdings	€ 150	N/A	In Market	Spain Student Housing	www.cadena.co.uk	2005	London
CA Immo New Europe/ CA Immo International	€ 400	N/A	In Market	C. & E. Europe Commercial	www.caimmointernational.com	1999	Vienna
CapMan Hotels RE/ CapMan Real Estate	€ 400	N/A	In Market	Scandinavia Hospitality	www.capman.fi	2005	Helsinki
CB Richard Ellis Strategic Europe Fund IV/ CB Richard Ellis	€ 1,500	754	In Market	Europe Diversified	www.cbreinvestors.com	1972	Los Angeles
CEE Residential Fund/ Realkapital Partners	€ 200	N/A	In Market	C. & E. Europe Residential	www.realkapital.no	N/A	Oslo

Fund Size (MM) in \$U.S. Unless Marked

Note: Does not include funds currently being placed by Probitas Partners

Fund/Parent	Current	Last	Market Status	Strategy	Web Site	Year Founded	Offices
City Parking/ Quantum Immobilien	€ 125	N/A	In Market	German Parking	www.quantum.ag	1998	Hamburg
Cordea Savills German Retail Fund/ Cordea Savills	€ 1,000	N/A	In Market	German Retail	www.cordeasavills.com	2005	London
CorEstate German Commercial/ CorEstate Capital	€ 500	N/A	In Market	German Commercial	www.corEstate-capital.ch	2006	Zurich
Domani Sereno Real Estate Fund/ Fondamenta	€ 150	N/A	In Market	Italy Senior Housing	www.fondamentasgr.com	1998	Milan
ECM International Real Estate Fund/ Equity Capital Management	250	N/A	In Market	Europe Diversified	www.ecm-funds.com	1989	Chicago; Bern
Endurance Logistics and Light Industrial/ Orco Property Group	€ 200	N/A	In Market	C. & E. Europe Industrial	www.endurancefund.com	2005	Luxembourg; Prague; Paris
Evans Randall Opportunity Fund/ Evans Randall	£1,000	N/A	In Market	U.K. Commercial	www.evansrandall.com	1993	London
German Shopping Centre Fund/ Henderson Global Investors	€ 1,200	N/A	In Market	German Retail	www.henderson.com/property	1934	London; Frankfurt
Global Emerging Property Fund II/ Global Finance	€ 350	€ 150	In Market	S. Europe Diversified	www.globalfinance.gr	1991	Athens
Heitman European Property Partners VI/ Heitman	€ 600	N/A	In Market	C. & E. Europe Diversified	www.heitman.com	1966	Chicago
Hexagone/ Aviva Morley Property Funds Management	€ 210	N/A	In Market	Europe Diversified	www.avivainvestors.co.uk	1968	London
Iberia/Norfin	€ 200	N/A	In Market	Iberia Diversified	www.norfin.eu	1999	Lisbon
IMO Pan-Iberian Retail/Imorendimento	€ 200	N/A	In Market	Iberia Diversified	www.imorendimento.com	1992	Porto, Portugal
JP Morgan Greater Europe Opportunistic Fund/JP Morgan Asset Management	€ 500	N/A	In Market	Europe Diversified	www.jpmorgan.com	1895	London
LaSalle European Ventures III/ LaSalle Investment Management	€ 1,250	€ 335	In Market	Europe Diversified	www.lasalle.com	1978	Chicago; Paris



Fund Size (MM) in \$U.S. Unless Marked

Note: Does not include funds currently being placed by Probitas Partners

Fund/Parent	Current	Last	Market Status	Strategy	Web Site	Year Founded	Offices
LaSalle UK Ventures II/ LaSalle Investment Management	£400	£240	In Market	U.K. Diversified	www.lasalle.com	1978	Chicago; Paris
Logistis III/AEW Europe	€ 350	€ 218	In Market	Europe Logistics	www.aeweurope.com	N/A	Paris; London
Meyer Bergman Eastern Europe Retail Fund/ Meyer Bergman	€ 600	N/A	In Market	Europe Diversified	www.meyerbergman.com	1970	London; Paris; Berlin
Moor Park Real Estate Fund III/ Moor Park Capital	€ 1,500	N/A	In Market	W. Europe Diversified	www.moorparkcapital.com	2005	London; Oststeinbek, Germany
Mosaic Central and Eastern European II/ Mosaic Property	€ 200	€ 100	In Market	C. & E. Europe Diversified	www.mosaicpropertyllp.com	2005	London; Budapest
Neptunia/ Aedes Real Estate	€ 375	N/A	In Market	Italy Diversified	www.aedes-immobilaire.com	N/A	Milan; Rome
NIBC Land Value Fund I/NIBC	€ 125	N/A	In Market	W. Europe Diversified	www.nibcapital.com	N/A	Den Haag, the Netherlands
Orion European Real Estate Fund III/ Orion Capital Managers	€ 650	€ 476	In Market	Europe Diversified	www.orioncapman.com	1999	London
Parc d'Activites/ Valad Property Group	€ 500	N/A	In Market	France Industrial	www.valad.com.au	1995	London; Paris
Poteza Real Estate Fund/ Poteza Equity Management	€ 150	N/A	In Market	Eastern/ Central Europe Diversified	www.poteza.si	N/A	Ljubljana, Slovenia
Realkapital European Opportunity II/ Realkapital Partners	€ 250	N/A	In Market	Europe Diversified	www.realkapital.no	N/A	Oslo
Realstar European Capital I/ Realstar Group	€ 300	N/A	In Market	Europe Diversified	www.realstargroup.com	1974	Toronto
Rockspring UK Value Fund/ Rockspring Property Investment Partners	£350	N/A	In Market	U.K. Diversified	www.rockspringim.com	1984	London
Rynda en Primeur II/ Rynda Property Investors	TBA	€ 140	Coming to Market	France Diversified	www.ryndaproperty.com	2005	Paris
Schroder Italian Property Fund II/ Schroder Property Investment Management	€ 250	N/A	In Market	Italy Diversified	www.schrodersproperty.com	1971	London

Fund Size (MM) in \$U.S. Unless Marked

Note: Does not include funds currently being placed by Probitas Partners

Fund/Parent	Current	Last	Market Status	Strategy	Web Site	Year Founded	Offices
Tellesma Fund/Tellesma	£1,000	N/A	In Market	U.K. Sustainability	N/A	2008	London
Valartis Residential Healthcare Fund/ Valartis Group	€ 125	N/A	In Market	Europe Healthcare	www.valartis.ch	2006	Zurich
Valad UK Opportunity Fund/ Valad Property Group	£350	N/A	In Market	U.K. Commercial	www.valad.com.au	2007	London
Valartis Residential Healthcare Fund/ Valartis Group	€ 125	N/A	In Market	Europe Medical	www.valartis.ch	2006	Zurich
Weinberg Real Estate Partners I / Weinberg Capital Partners	€ 150	N/A	In Market	France Diversified	www.weinbergcapital.com	2005	Paris
<b>Asian Funds</b>							
Aetos Capital Asia III/ Aetos Capital	2,500	2,200	In Market	Asia Diversified	www.aetoscapi.com	1999	New York; Tokyo; Hong Kong
AG Asia Realty Fund II/ Angelo, Gordon & Co.	1,000	526	In Market	Asia Diversified	www.angelogordon.com	1993	Hong Kong; Seoul
Ashington Development Fund III/ Ashington Capital	200 AUD	80 AUD	In Market	Australia Diversified	www.ashingtongroup.com.au	1999	Sydney
Carlyle Asia Real Estate Fund II/ The Carlyle Group	1,000	410	In Market	Asia Diversified	www.carlyle.com	1987	Washington, D.C.; Beijing
CholaLand Fund I/ CholaLand Advisers	100	N/A	In Market	Malaysia Diversified	N/A	2008	Malaysia
CPI Capital Partners Asia Pacific II/ Citi Property Investors	1,500	1,291	In Market	Asia Diversified	www.citigrouppropertyinvestors.com	N/A	New York
daVinci Australia Real Estate Opportunity Partners/KK DaVinci Advisors	300 AUD	N/A	In Market	Australia Diversified	www.davinci-advisors.com	1998	Tokyo
daVinci Real Estate Opportunity Partners V/ KK DaVinci Advisors	76,000 JPY	320,000 JPY	Coming to Market	Japan Diversified	www.davinci-advisors.com	1998	Tokyo
DHFL Venture Capital Fund/ Dewan Housing Finance	250	N/A	In Market	India Residential	www.dhfl.com	1984	Mumbai

Fund Size (MM) in \$U.S. Unless Marked

Note: Does not include funds currently being placed by Probitas Partners

Fund/Parent	Current	Last	Market Status	Strategy	Web Site	Year Founded	Offices
Duet India Hotels/Duet Private Equity	200	N/A	In Market	India Hospitality	www.duetgroup.com	2005	London
Duet Japan Special Situations Fund/ Duet Private Equity	300	N/A	In Market	Japan Diversified	www.duetgroup.net	2002	London
Enterprise Fund/Pacific Star Group	1,000	N/A	In Market	Asia Diversified	www.pacificstargrp.com	2000	Singapore
Fortress Asia Realty Fund/ Fortress Investment Group	1,000	N/A	In Market	Asia Diversified	www.fortressinv.com	1998	Hong Kong; Shanghai; Tokyo; New York
Forum Asia Realty Income Fund III/ Forum Partners	1,000	792	Coming to Market	Asia Diversified	www.forumpartners.com	2002	Beijing
Fudo Capital II/ CLSA Capital Partners - Fudo Capital	750	430	In Market	Asia Diversified	www.clsacapital.com/fudo	2004	Hong Kong
Gateway Capital Real Estate Fund III/ Gaw Capital	1,000	N/A	In Market	Asia Diversified	www.gawcapital.com	2005	Hong Kong
Harvest China Real Estate Fund II/ Harvest Capital Partners	750	N/A	In Market	China Diversified	www.harvestcapital.com.hk	2007	Hong Kong
Holdfast Capital I/Holdfast Capital	500	N/A	In Market	Asia/Australia Diversified	www.holdfastcapital.com	2008	Hong Kong
HSH Asian Real Estate Fund No. 1/ Pacific Star Fund Management	€ 500	N/A	In Market	Asia Diversified	www.pacificstargrp.com	2000	Singapore
Indiareit Offshore Fund II/ Indiareit Fund Advisors	600	200	In Market	India Diversified	www.indiareit.com	2006	Mumbai
Indochina Land Holdings 3/ Indochina Capital	500	265	In Market	Vietnam Diversified	www.indochinacapital.com	1999	Ho Chi Minh City; Hanoi; Danang
ING Real Estate China Opportunity Fund II/ ING Real Estate Investment Management	700	600	Coming to Market	China Diversified	www.ingrealestate.com	1996	Hong Kong; Beijing; Seoul; Singapore; Shanghai; Tokyo; Taipei
ING Real Estate China Residential Fund II/ ING Real Estate Investment Management	700	350	Coming to Market	China Residential	www.ingrealestate.com	1996	Hong Kong; Beijing; Seoul; Singapore; Shanghai; Tokyo; Taipei

Fund Size (MM) in \$U.S. Unless Marked

Note: Does not include funds currently being placed by Probitas Partners

Fund/Parent	Current	Last	Market Status	Strategy	Web Site	Year Founded	Offices
ISG China Real Estate Fund/ ISG Capital Management	100	N/A	In Market	China Diversified	www.isgfn.com	2002	Shanghai; New York
Japan Value Added Fund III/ RREEF Real Estate	30,000 JPY	N/A	In Market	Japan Diversified	www.rreef.com	N/A	New York; Tokyo
KBC Japan Property Fund/ KBC Asset Management	€ 350	N/A	In Market	Japan Diversified	www.kbcam.com	2000	Dublin; London; New York
Mapletree India-China Fund/ Mapletree Investments	1,500	N/A	In Market	Asia Diversified	www.mapletree.com.sg	N/A	Singapore; Shanghai; Beijing; Hong Kong; Tokyo
Milestone Domestic Scheme II/ Milestone Capital	5,000 INR	N/A	In Market	India Diversified	www.milestonecapital.in	2007	Mumbai
Ostara China Fund/Ajia Partners	400	N/A	In Market	China Shopping Centers	www.ajiapartners.com	2002	Hong Kong; Tokyo; Seoul; Beijing
Pacific Star Arrow Vietnam Fund/ Pacific Star Holdings	340	N/A	In Market	Vietnam Diversified	www.pacificstargrp.com	2000	Singapore
Peninsula Realty Fund/Peninsula Investment Management Company	350	N/A	In Market	India Diversified	www.peninsula.co.in	1997	Mumbai
Phoenix Asia Real Estate Investments IV/ Phoenix Advisors	650	350	In Market	Asia Diversified	N/A	2008	Hong Kong
Pradera China Retail Fund/Pradera AM	250	N/A	In Market	China Retail	www.pradera.com	1999	London; Athens; Istanbul; Milan; Prague
Real Estate Capital Partners Asia II/ Real Estate Capital Partners Asia	400	221	In Market	Asia Diversified	N/A	2008	Singapore
Saffron Real Estate India Fund/ Saffron Asset Advisors	500	N/A	In Market	India Diversified	www.saffronadvisors.com	2005	Mumbai
SGAM AI Japan Property Fund/ SGAM Alternative Investments Real Estate	€ 200	N/A	In Market	Japan Diversified	www.sgam-ai.com	N/A	Paris
Triangle Real Estate India Fund/Old Mutual Investment Group Property Investments	500	N/A	In Market	India Retail	www.omigpi.com	1845	Cape Town
Trikona India Real Estate Fund/ Trikona Capital	500	N/A	In Market	India Diversified	www.trikonacapital.com	2006	Delhi; Mumbai; New York

Fund Size (MM) in \$U.S. Unless Marked

Note: Does not include funds currently being placed by Probitas Partners

Fund/Parent	Current	Last	Market Status	Strategy	Web Site	Year Founded	Offices
Triseas Korea Property Fund II/ Doran Capital Partners	600	210	In Market	Korea Diversified	www.dorancapital.com	2002	Seoul
Trump Organization India Fund/ Trump Organization	1,000	N/A	In Market	India Luxury	www.trump.com	1980	New York
UBS Gemdale China Real Estate Fund/ UBS Realty Investors	300	N/A	In Market	China Diversified	www.ubs.com/realEstate	N/A	Beijing; Guangzhou; Shanghai
UBS K Rajeha Corp. India Real Estate Fund/ UBS Realty Investors	500	N/A	In Market	India Diversified	www.ubs.com/realEstate	N/A	Mumbai
Unitech International Realty/Unitech Realty	500	N/A	In Market	India Diversified	www.unitechgroup.com	1974	Haryana, India
Vietnam Property Fund/PRUPIM	500	N/A	In Market	Vietnam Diversified	www.prupim.com	N/A	London
<b>Latin American Funds</b>							
Americas Real Estate Opportunity Fund/ Falcon Real Estate	500	N/A	In Market	Latin America Diversified	www.falconreal.com	1991	New York
Carlyle Latin America Real Estate Partners/ The Carlyle Group	425	N/A	In Market	Latin America Diversified	www.carlyle.com	1987	Washington, D.C.; Mexico City; Sao Paolo
GoldenTree Insite Brazil Real Estate Fund/ GoldenTree InSite Partners	800	N/A	In Market	Latin America Diversified	www.goldentreeinsite.com	2005	New York
JER Latin America I/ JER Partners	750	N/A	In Market	Latin America Diversified	www.jer.com	1980	Maclean, VA; Sao Paolo
LaSalle Mexico Fund/ LaSalle Investment Management	500	N/A	In Market	Mexico Diversified	www.lasalle.com	1978	Chicago; Mexico City
Paladin Realty Latin America Investors III/ Paladin Realty	500	200	In Market	Latin America Diversified	www.paladinreit.com	1995	Los Angeles
Patria Brazil Real Estate Fund II/ Patria Investimentos	400	140	In Market	Brazil Diversified	ww.patriainvestimentos.com.br	1988	Sao Paolo
Vision Brazil Real Estate Opportunities I/ Brazil Real Estate Opportunities Manager and Moore Capital Management	250	N/A	In Market	Brazil Diversified	www.visionbrazil.com	2007	Sao Paolo

Fund Size (MM) in \$U.S. Unless Marked

Note: Does not include funds currently being placed by Probitas Partners

Fund/Parent	Current	Last	Market Status	Strategy	Web Site	Year Founded	Offices
-------------	---------	------	---------------	----------	----------	--------------	---------

### Middle East/North Africa Funds

Easy Property Investment Fund/ Easy Property Group	100	N/A	In Market	Middle East Region	www.easypropertygroup.com	N/A	Dubai
Geni GCC Commercial Real Estate Opportunities Fund/Geni Capital	100	N/A	In Market	GCC Diversified	www.genicapital.com	2006	London
Global GCC Real Estate Fund II/ Global Investment House	500	100	In Market	GCC Diversified	www.globalinv.net	N/A	Safat, Kuwait
Hospitality Development Fund/ Abu Dhabi Investment House, Ithmaar Bank & Gulf Finance House	300	N/A	In Market	GCC Hospitality	www.adih.ae	2005	Abu Dhabi
Lewis Charles Abu Dhabi Property Fund/ Lewis Charles	100	N/A	In Market	Abu Dhabi/ Dubai Diversified	www.lewischarles.com	N/A	London
Nauerz & Noell Advanced Property Fund/ Nauerz & Noell	€ 2,000	N/A	In Market	Abu Dhabi/ Dubai Diversified	www.nauerz-noell.de	2000	Frankfurt
Ostara China Real Estate Fund/ Ajia Partners	500	N/A	In Market	China Diversified	www.ajiapartners.com	2002	Hong Kong
SHUAA Hospitality Fund I/ Shuaa Capital	2,000 SAR	N/A	In Market	Saudi Arabia Hospitality	www.shuaacapital.com	1979	Dubai
Siraj Hospitality & Tourism Fund/ Siraj Capital	1,000 SAR	N/A	In Market	GCC Diversified	www.sirajcapital.com	2006	Dubai; Riyadh

### Other Emerging Markets

Amstar Global Property Fund II/ Amstar Global Partners	350	340	In Market	Emerging Markets Diversified	www.amstarglobal.com	2007	Hamilton, Bermuda
Aberdeen Property Fund Russia/ Aberdeen Property Investors	€ 500	N/A	In Market	Russia Diversified	www.aberdeenpropertyinvestors.com	1986	Copenhagen; St. Petersburg
Bosphorus Real Estate Fund I/ Merrill Lynch Real Estate	€ 200	N/A	In Market	Turkey Diversified	www.gmi.ml.com	N/A	New York; Istanbul
Capital Alliance Property Investment Company/Capital Alliance Real Estate	479	N/A	In Market	W. Africa Diversified	www.aca-web.com	1997	Lagos

Fund Size (MM) in \$U.S. Unless Marked

Note: Does not include funds currently being placed by Probitas Partners

Fund/Parent	Current	Last	Market Status	Strategy	Web Site	Year Founded	Offices
Capitalworks Real Estate Fund/ Capitalworks Investment Partners	500	N/A	In Market	South Africa	www.capitalworksip.com	2008	Benmore, South Africa
East Capital Russian Property Fund/ East Capital	€ 200	N/A	In Market	Russia Retail	www.eastcapital.com	N/A	Stockholm; Moscow; Paris
EPG East Euro Asia Property Fund/ ACTEUM Group	300	N/A	In Market	E. Europe Diversified	www.acteum.com	2006	Den Haag, the Netherlands
European Emerging Economies Fund/ Pramerica Real Estate Investors	300	N/A	In Market	Turkey & E. Europe Diversified	www.pramericarei.com	N/A	Parsippany, NJ
Kenmore/Watan Real Estate Fund/ Kenmore Property Group & Watan Investments	N/A	N/A	Coming to Market	GCC diversified	www.kenmore.co.uk	1986	Dubai; London
Meyer Bergman Europe Retail Partners/ Meyer Bergman	€ 600	N/A	In Market	E. Europe Retail	www.meyerbergman.com	1970	London, UK
New Century Holdings New Europe Property Fund I/ New Century Holdings	€ 1,000	N/A	In Market	E. Europe Distressed	www.nchcapital.com	1993	New York
Paladin Realty Eurasia Investors/ Paladin Realty	300	N/A	In Market	Turkey Diversified	www.paladinreit.com	1995	Los Angeles
PIK Real Estate Fund/ PIK Capital Partners	1,000	N/A	In Market	Russia Diversified	www.pik-capital.ru	N/A	Moscow
Shariah Russian Property Fund/ Fairfax Middle East	500	N/A	In Market	Russia Diversified	www.fairfaxplc.com	2006	Dubai; London; New York
<b>Mezzanine &amp; Debt Funds</b>							
AllBridge CRES Fund/AllBridge Investments	300	N/A	In Market	U.S. Debt	www.allbridgeinv.com	N/A	Charlotte, NC; Dallas, TX
AREA European Commercial Property Debt Fund/AREA	1,000	N/A	In Market	Europe Debt	www.apollorealstate.com	1993	New York
Babson Mezzanine Realty Investors 2/ Babson Capital Management	350	N/A	In Market	U.S. Mezzanine	www.babsoncapital.com	N/A	Boston
BlackRock Mortgage Investors Fund/ BlackRock Realty	2,000	N/A	In Market	U.S. Debt	www.blackrock.com	1998	New York

Fund Size (MM) in \$U.S. Unless Marked

Note: Does not include funds currently being placed by Probitas Partners

Fund/Parent	Current	Last	Market Status	Strategy	Web Site	Year Founded	Offices
Blackstone Real Estate Special Situations Fund/Blackstone Real Estate Advisors	1,000	N/A	In Market	U.S. Mezzanine	www.blackstone.com	1992	New York; Chicago; Los Angeles; London; Tokyo; Hong Kong
Duet European Real Estate Debt Fund/ Duet Private Equity	€ 300	N/A	In Market	Europe Debt	www.duetgroup.net	2002	London
FSI Credit Opportunity Fund/ Capitaline Hill Partners	1,000	N/A	In Market	U.S. Distressed	www.fsicapital.com	1995	New York; Cincinnati
GEM Realty Fund IV/ GEM Realty Capital	600	360	In Market	U.S. Mezzanine/ Debt	www.gemrc.com	1994	Chicago
Goldman Sachs Real Estate Mezzanine Partners/Goldman Sachs	2,500	N/A	In Market	U.S. Debt	www.goldmansachs.com	1996	New York
Hillenbrand Global Mortgage Fund/ Hillenbrand Partners	750	N/A	In Market	Global Debt	www.hillenbrandpartners.com	1995	Chicago; Auburn, AL
ING Clarion Debt Opportunity Fund III/ ING Clarion	1,000	500	In Market	U.S. Debt	www.ingclarion.com	N/A	New York
Invesco High Yield Debt Fund II/ Invesco Real Estate	100	N/A	In Market	U.S. Debt	www.investcorealEstate.com	1983	Dallas
JER Real Estate Partners V/ JER Partners	1,500	772	In Market	U.S. Debt	www.jer.com	1981	McLean, VA
Latus Real Estate Partners Parallel Fund I/ Latus Partners	100	N/A	In Market	U.S. Debt	www.latuspartners.com	N/A	New York
LNR Archetype Real Estate Debt Fund/ LNR Commercial Property Group	850	N/A	In Market	U.S. Debt	www.lnrcpg.com	1997	Newport Beach
LoanCore Capital Fund I/ LoanCore Capital & DivcoWest Properties	3,000	N/A	In Market	U.S. Debt	N/A	2008	Greenwich, CT
Lowe Real Estate Income and Growth Partners II/Lowe Enterprises Investors	200	201	In Market	U.S. Mezzanine	www.loweenterprises.com	1972	Los Angeles; Denver; Irvine; Phoenix; San Francisco; Sacramento; Washington, D.C.



Fund Size (MM) in \$U.S. Unless Marked

Note: Does not include funds currently being placed by Probitas Partners

Fund/Parent	Current	Last	Market Status	Strategy	Web Site	Year Founded	Offices
Mesa West Real Estate Income II/ Mesa West Capital	400	150	In Market	U.S. Mezzanine	www.mesawestcapital.com	N/A	Los Angeles
NYLIM Real Estate Mezzanine III/ NY Life Investment Real Estate	500	N/A	In Market	U.S. Debt	www.nylimrealEstate.com	N/A	New York
OWS Mortgage Opportunity Master Fund/ One William Street Capital	500	N/A	In Market	U.S. Debt	N/A	2008	New York
Ponte Capital/Infinity Funding Group	1,000	N/A	In Market	U.S. Debt	www.infinityfundsgroup.com	1993	Bohemia, NY
PREI Mezzanine Fund/ Pramerica Real Estate Investors	500	N/A	In Market	U.S. Mezzanine	www.pramericarei.com	N/A	Parsippany, NJ
Selene Residential Mortgage Opportunity Fund/ Selene Investment Partners	1,000	N/A	In Market	U.S. Debt	N/A	2008	Uniondale, NY
Sopras/Basalt Capital	500	N/A	In Market	U.S. Debt	www.basaltcapital.com	N/A	Chicago
Sterling American Property VI/ Sterling American Property	700	610	In Market	U.S. Debt	www.sterlingamerican.com	1991	New York
TCW Credit Opportunities Fund/ TCW Real Estate	3,000	N/A	In Market	U.S. Debt	www.tcw.com	1971	Los Angeles
Terra Capital Partners Mezzanine Fund/ Terra Capital Partners	500	N/A	In Market	U.S. Mezzanine	www.terracapitalpartners.com	2004	New York
Tremont Special Opportunity Debt Fund/ Tremont Realty Capital	300	N/A	In Market	U.S. Debt	www.tremontcapital.com	2000	Boston; Hartford; New York; Chicago; Annapolis; Newport Beach
True North High Yield Investment Fund II/ True North Management Group	500	110	In Market	U.S. Distressed and Mezzanine	www.tninvestors.com	2004	White Plains, NY
Wilshire Income Fund/ Wilshire Finance Partners	100	N/A	In Market	California Bridge Loans	www.wilshirefp.com	2008	Los Angeles, CA
<b>Secondary Funds</b>							
CS Strategic Partners IV RE/ Credit Suisse	420	300	In Market	Real Estate Secondaries	www.credit-suisse.com	N/A	New York; London

Fund Size (MM) in \$U.S. Unless Marked

Note: Does not include funds currently being placed by Probitas Partners

Fund/Parent	Current	Last	Market Status	Strategy	Web Site	Year Founded	Offices
Landmark Real Estate Fund VI/ Landmark Partners	750	369	In Market	Real Estate Secondaries	www.landmarkpartners.com	1989	Simsbury, CT; Boston; London
Liquid Realty V/Liquid Realty	800	572	In Market	Real Estate Secondaries	www.liquidrealty.com	1988	San Francisco
Partners Group Real Estate Secondary Fund/ Partners Group	1,000	N/A	Coming to Market	Real Estate Secondaries	www.partnersgroup.com	1996	Zug; New York; London; Singapore; San Francisco
<b>Infrastructure Funds</b>							
aAIM Infrastructure Fund/ aAIM Infrastructure	£2,000	N/A	In Market	United Kingdom	www.aaim.com	2004	London
ABN AMRO Global Infrastructure Fund II/ ABN Amro	€ 2,000	€ 1,100	In Market	Global Diversified	www.capital.abnamro.com	1994	Amsterdam; London
Actis Infrastructure Fund II/Actis	1,000	N/A	In Market	Asia and Africa	www.act.is	2004	London
ADCB Macquarie Infrastructure Fund/ Macquarie Funds Group	1,000	N/A	In Market	MENA	www.macquarie.com.au	2000	Sydney
ADIC-UBS Infrastructure Fund/ UBS Global Asset Management	600	N/A	In Market	MENA	www.ubs.com	2002	Zurich
African Energy Infrastructure Fund/ Prescient Fieldstone Investment Management	500	N/A	In Market	Africa	www.fpcq.com	1990	Johannesburg; New York; London
Alinda Infrastructure Fund III/ Alinda Capital Partners	3,000	3,000	In Market	U.S./Europe Diversified	www.alinda.com	2005	New York; London
Alterna Core Capital Asset Fund/ Alterna Capital	1,000	N/A	In Market	U.S. Diversified	www.alternacapital.com	2007	Westport, CT
AmKonzen Water Infrastructure Fund/ AmKonzen Water Investments Management	320	N/A	In Market	Asia Water	www.konzengroup.com	2008	Singapore
Ampere Equity Fund/ Evelop	€ 500	N/A	In Market	W. Europe Diversified	www.evelop.com	N/A	Utrecht
Antin Infrastructure Fund/ Antin Infrastructure Partners	€ 1,000	N/A	In Market	Europe Diversified	www.antin-ip.com	2008	Paris

Fund Size (MM) in \$U.S. Unless Marked

Note: Does not include funds currently being placed by Probitas Partners

Fund/Parent	Current	Last	Market Status	Strategy	Web Site	Year Founded	Offices
Asian Giants Infrastructure Fund/ AMP Capital Investors	750	N/A	In Market	Asia Diversified	www.ampcapital.com.au	1998	Sydney
Aviva European Renewable Energy/ Aviva Investors	€ 500	N/A	In Market	Europe Diversified	www.avivainvestors.co.uk	2008	London
Axis Infrastructure Fund/Axis Bank	500	N/A	In Market	India Diversified	www.axisbank.com	1994	Mumbai
Baer Capital Infrastructure and Real Estate/ Baer Capital Partners	500	N/A	Coming to Market	India Diversified	www.baercapital.com	2006	Dubai
Bank of Ireland Infrastructure Fund/ Bank of Ireland Asset Management	€ 300	N/A	In Market	U.K. Diversified	www.biam.ie	2008	Dublin
Barclays Integrated Infrastructure Fund/ Barclays Private Equity-Infrastructure	£1,000	N/A	In Market	Europe Diversified	www.barclays-private-equity.com	1996	London
Blackstone Infrastructure Fund/ Blackstone Group	4,000	N/A	Coming to Market	India	www.blackstone.com	1985	New York
Bunyah GCC Infrastructure Fund/ Instrata Capital	150	N/A	In Market	MENA	www.instratacapital.com	2007	Manama
Carlyle Riverstone Renewable Energy Infrastructure Fund II/Carlyle Group	1,200	685	In Market	N. America Renewable Energy	www.carlyle.com	2006	New York
Central American Mezzanine Infrastructure Fund/EMP Global	150	N/A	In Market	C. American Diversified	www.empglobal.com	2005	Washington, D.C.
Challenger Mitsui Emerging Markets Infrastructure Fund/Challenger Financial Services & Mitsui & Co.	1,200	N/A	In Market	Global Diversified	www.challenger.com.au	2008	Sydney; Tokyo
Citi Infrastructure Investors/ Citigroup	4,000	N/A	In Market	U.S./Europe Diversified	www.citigroupai.com	2007	New York
CPG China Toll Road/ CPG Capital Partners	1,000	N/A	In Market	China Roads	www.cpgcapitalpartners.com	2005	Singapore; Shanghai; Beijing; Sydney
Cube Infrastructure Fund/ Natixis Environment & Infrastructure	€ 1,000	N/A	In Market	Europe Diversified	cib.natixis.com	2006	Paris
CVC/ Vineburg Infrastructure Fund/ CVC Capital Partners	€ 2,000	N/A	Coming to Market	Europe Diversified	www.cvc.com	1981	London; Paris; Luxembourg; Brussels; Milan

Fund Size (MM) in \$U.S. Unless Marked

Note: Does not include funds currently being placed by Probitas Partners

Fund/Parent	Current	Last	Market Status	Strategy	Web Site	Year Founded	Offices
Darby Mexico Infrastructure Fund/ Darby Overseas Investments	200	N/A	In Market	Mexico Diversified	www.darbyoverseas.com	1994	Washington, D.C.
DIF Infrastructure Fund/ Dubai Investment Bank	€ 500	N/A	In Market	Middle East Diversified	www.dif.eu	2005	Schipol, the Netherlands
Emerald Infrastructure Development Fund/ Emerald Development Managers	€ 750	N/A	In Market	U.S. and U.K.	N/A	1994	Belfast
Eredene Capital India Infrastructure Fund/ Eredene Capital	400	N/A	In Market	India	www.eredene.com	2005	London
European Renewable Energy Fund/ Platina Finance	€ 250	N/A	In Market	Europe Renewable	www.platinafinance.com	2002	London
EUROFIDEME 2/ Natixis Environment & Infrastructure	€ 250	N/A	In Market	Europe Renewable	www.natixis.com	N/A	Paris
Fondi Italiani Per Le Infrastrutture/F2i SGR	€ 2,000	N/A	In Market	Italy	www.f2isgr.it	2007	Milan
Fortis Clean Energy Capital Fund/ Fortis Investments	€ 400	N/A	In Market	Europe Diversified	www.fortisinvestments.com	2008	London
GS European Infrastructure Fund/ Goldman Sachs	€ 3,000	N/A	In Market	Europe Diversified	www.gs.com/pe	2006	New York; London
GS Infrastructure Partners II/ Goldman Sachs	7,500	N/A	In Market	N. America, Europe Diversified	www.gs.com/pe	2006	New York; London
Gulf One Infrastructure Fund I/ Gulf One Bank	2,000	N/A	In Market	GCC Diversified	www.gulf1bank.com	2006	Bahrain
Henderson Infrastructure III/ Henderson Equity Partners	£800	£584	In Market	Europe Diversified	www.hendersonprivatecapital.com	1985	London
Highstar Capital IV/Highstar Capital	5,000	3,500	In Market	Global Diversified	www.highstarcapital.com	2000	New York; Houston
HSBC Environmental Infrastructure Fund/ HSBC Specialist Investments	500	N/A	In Market	Global Environmental	www.hsbc.com	2008	London
India Infrastructure Advantage Fund/ ICICI Bank	1,000	N/A	In Market	India Diversified	www.icicibank.com	N/A	Mumbai

Fund Size (MM) in \$U.S. Unless Marked

Note: Does not include funds currently being placed by Probitas Partners

Fund/Parent	Current	Last	Market Status	Strategy	Web Site	Year Founded	Offices
IDFC Private Equity Fund II/ IDFC Private Equity	1,250	440	In Market	India Diversified	www.idfc.com	2004	Mumbai
Indochina Infrastructure Holdings/ Indochina Capital Corporation	500	N/A	In Market	Asia Diversified	www.indochinacapita.com	1999	Ho Chi Minh City
ING Atlas European Infrastructure Fund/ ING Real Estate Investment Management	€1,000	N/A	In Market	Europe Diversified	www.ing.com	N/A	London
JP Morgan Asia Infrastructure Fund/ JP Morgan	1,500	N/A	In Market	Asia Diversified	www.jpmorgan.com/infrastructure	2006	Hong Kong; Singapore; Mumbai
Kagiso Infrastructure Empowerment Fund/ Kagiso Group	ZAR 650	N/A	In Market	South Africa	N/A	2008	Claremont, South Africa
KKR Infrastructure Fund/KKR	4,000	N/A	Coming to Market	Global Diversified	www.kkr.com	1976	New York; Menlo Park; London; Tokyo
Latin Power & Infrastructure IV/ Conduit Capital Partners	800	393	In Market	Latin America	www.conduitcap.com	1994	New York
Macquarie European Infrastructure Fund III/ Macquarie	€ 5,500	€ 4,600	In Market	Europe Diversified	www.macquarie.com.au	2000	Sydney; London
Macquarie Global Infrastructure Fund III/ Macquarie	500	490 AUD	In Market	OECD	www.macquarie.com.au	2000	Sydney
Macquarie India Infrastructure Opportunities Fund/Macquarie	1,500	N/A	Coming to Market	India Diversified	www.macquarie.com.au	2000	Sydney; Mumbai
Macquarie Infrastructure Partners II/ Macquarie	6,000	4,000	In Market	North America Diversified	www.macquarie.com.au	2000	New York; Sydney
Macquarie Renaissance Infrastructure Fund/ Macquarie & Renaissance Capital	1,500	N/A	In Market	Russia & Central Asia	www.macquarie.com.au	2000	Sydney; Moscow
MENA Infrastructure Fund/ Dubai International Capital & HSBC Bank	500	N/A	In Market	MENA Region	www.dubaiic.com	2005	Dubai
Mubadala Infrastructure Partners/ Mubadala Development Company, GE & Credit Suisse	N/A	N/A	In Market	MENA Region	www.mubadala.com.ae	2007	Abu Dhabi

Fund Size (MM) in \$U.S. Unless Marked

Note: Does not include funds currently being placed by Probitas Partners

Fund/Parent	Current	Last	Market Status	Strategy	Web Site	Year Founded	Offices
Pan African Infrastructure Development Fund/South Africa Public Investment Commission	1,000	N/A	In Market	Africa Diversified	N/A	2005	Pretoria
Piramal Healthcare Fund/ India Venture Advisors	200	N/A	In Market	India Healthcare	www.nicholaspiramal.com	2008	Mumbai
Q India Fund/Quantum Equity Advisors	500	N/A	In Market	India Diversified	www.qindiafund.com	1993	Mumbai
Rabo Bouwfunds Communication Infrastructure Fund/ Bouwfunds Asset Management	€ 375	N/A	In Market	Netherlands Communications	www.bouwfunds.com	1946	Hoevelaken, the Netherlands
Raising Africa Infrastructure Fund/ Natixis Environment & Infrastructure	500	N/A	In Market	Africa	www.natixis.com	2008	Paris
RBS Infrastructure Fund/ RBS Asset Management	€ 1,000	N/A	In Market	Europe	www.rbsam.com	2009	London
RREEF North American Infrastructure Fund/ Deutsche-RREEF	500	N/A	In Market	N. America Diversified	www.rreef.com	N/A	New York; Sydney; London
Santander Infrastructure II/ Capital Grupo Santander	€ 1,500	€ 185	In Market	Global Diversified	www.santanderprivateequity.com	N/A	Madrid
Saratoga Asia Fund II/ Saratoga Investama Sedaya	330	N/A	In Market	Asia Diversified	www.saratoga.co.id	1998	Jakarta
SC IL&FS Asia Infrastructure Growth Fund/ Standard Chartered and IL&FS	1,000	N/A	In Market	China & India Diversified	www.standardchartered.com	2008	Singapore; Mumbai
Transport Infrastructure Investment Company Fund/Transport Infrastructure Investment Company	€500	N/A	In Market	North America, South America, Europe	N/A	2008	Lisbon
Troika Infrastructure Fund/ Troika Capital Partners	1,000	N/A	In Market	Russia Diversified	www.troika.ru	2006	Moscow





## SAN FRANCISCO

425 California Street

Suite 2300

San Francisco, CA 94104

Tel 1 415 402 0700

Fax 1 415 402 0052

## NEW YORK

1251 Avenue of the Americas

Suite 2390

New York, NY 10020

Tel 1 212 403 3662

Fax 1 212 403 3537

## LONDON

Dudley House

36-38 Southampton Street

1st Floor

London WC2E 7HF

Tel 44 20 7845 5400

Fax 44 20 7240 3339