

Setter

The 25 Most Sought-After Managers

Real Estate - Q3 2017

First in the Secondary Market.

Introduction

The 'Most Sought-After Manager Rankings' are published by Setter on a quarterly and semi-annual basis to capture the ebb and flow of secondary demand across various fund strategies and geographies.

The rankings are largely based on the Setter Liquidity Rating, which assigns funds a rating of Excellent, Very Good, Good or Unrated depending on the number of secondary buyers that want to buy and/or have recently priced a given fund. Please see Definitions at the end of this report for more details.

The number of interested buyers for a given fund are determined by Setter's team of professionals who passionately track the ever changing shortlists and demand of over 1300 secondary buyers both directly and via SecondaryLink.com, where buyers can enter their shortlists and connect with agents and access deals through the Deal Section.

From a primary perspective, the 'Most Sought-After Manager Rankings' provide a unique perspective as strong secondary market demand suggests a fund manager is popular among LPs and low secondary market demand may signal diminishing market sentiment and additional future liquidity risk.

We hope you enjoy!

The 25 Most Sought-After Managers on the Secondary Market

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Rank	Prior Rank	Fund Family	Setter Liquidity Rating	Prime Buyers	First Vintage	Funds in Fund Family	Latest Closed funds	Currency	Fund Size	Vintage
1	—	Blackstone Real Estate Partners (BREP)	Very Good	43	1994	9	Blackstone Real Estate Partners VIII Blackstone Real Estate Partners VII	USD	15,800	2015
2	▲	Lone Star Funds	Very Good	36	1996	10	Lone Star Fund X Lone Star Fund IX	USD	5,600	2016
3	▲	Patron Capital	Very Good	34	1999	8	Patron Capital V Patron Capital Fund IV Deal Specific Pool	EUR	800	2015
4	▲	Carlyle Realty Partners	Very Good	31	1997	9	Carlyle Realty Partners VII Carlyle Realty Partners VI	USD	4,200	2014
5	—	Blackstone Real Estate Partners Europe (BREP Europe)	Very Good	30	2001	5	Blackstone Real Estate Partners Europe V Blackstone Real Estate Partners Europe IV	EUR	5,500	2016
6	▲	Starwood Capital Group	Very Good	27	1992	23	Starwood Distressed Opportunity Fund X MStar Europe - Joint Venture	USD	5,600	2015
7	▲	Beacon Capital	Very Good	20	2000	7	Beacon Capital Strategic Partners VII Beacon Capital Strategic Partners VI	USD	1,082	2014
8	▼	Fortress Investment Funds	Good	43	2000	12	Fortress Net Lease Fund Fortress Credit Opportunities Managed Account LSS	USD	142	2011
9	▲	Walton Street Real Estate Fund	Good	25	1996	12	Walton Street Real Estate Debt Fund Walton Street Real Estate Fund VII	USD	654	2015
10	▼	BlackRock Asia Property Funds fka MGPA - Macquarie Global Property Asia	Good	22	1997	4	BlackRock Asia Property Fund III BlackRock Asia Property Fund II	USD	3,890	2007
11	▲	Everstone Capital Partners / Indivision India Partners	Good	22	2006	3	Everstone Capital Partners III Everstone Capital Partners II	USD	730	2015
12	▼	Colony Investors (real estate)	Good	22	1992	19	ColPM Strategic Partners Colony American Homes Holdings	USD	200	2012
13	▼	Carlyle Europe Real Estate	Good	21	2002	4	Carlyle Europe Real Estate Partners III	EUR	2,230	2007
14	▲	GI Partners	Good	20	2001	4	GI Partners IV GI Partners III	USD	2,000	2013
15	▼	CIM Group - Real Estate funds	Good	19	2000	5	CIM Fund VIII CIM VI: Urban REIT	USD	2,400	2013

The Top 25

Rank	Prior Rank	Fund Family	Setter Liquidity Rating	Prime Buyers	First Vintage	Funds in Fund Family	Latest Closed funds	Currency	Fund Size	Vintage
16	▼ 15	Orion European Real Estate Funds	Good	19	2001	4	Orion European Real Estate IV Orion European Real Estate Fund III	EUR EUR	1,300 1,280	2013 2009
17	▲ 18	LaSalle Asia Opportunity Fund	Good	18	1998	3	LaSalle Asia Opportunity Fund IV LaSalle Asia Opportunity Fund III	USD USD	1,000 3,000	2013 2008
18	▼ 14	MSREF (Morgan Stanley Real Estate)	Good	17	1991	14	North Haven Real Estate Fund IX Global-T North Haven Real Estate Fund VIII Global	USD USD	2,012 1,700	2017 2013
19	▼ 17	Tishman Speyer Europe	Good	17	2003	2	Tishman Speyer European Real Estate Venture VI Tishman Speyer European Strategic Office Fund	EUR USD	1,000 602	2006 2003
20	▲ 22	Lubert Adler Real Estate	Good	15	1997	8	Lubert Adler Real Estate Fund VII Lubert Adler Real Estate Fund VI	USD USD	560 400	2013 2008
21	▲ 23	Gateway Capital Real Estate Fund (Gaw Capital)	Good	15	2005	6	Gateway Real Estate Fund V Gateway Real Estate Fund IV	USD USD	1,300 1,030	2016 2013
22	▲ >25	Rockpoint Real Estate Fund	Good	15	2003	10	Rockpoint Real Estate Fund V Rockpoint Core Plus Real Estate Fund	USD USD	3,300 960	2015 2014
24	▼ 19	AREA Europe Real Estate Fund	Good	14	2005	2	AREA European Real Estate Fund IV AREA European Real Estate Fund III	USD USD	1,300 1,375	2013 2008
24	▲ >25	Crow Holdings	Good	14	1998	8	Crow Holdings Retail Fund II Crow Holdings Realty Partners VII	USD USD	417 1,094	2016 2015
25	▲ >25	TA Realty Associates	Good	14	1980	10	TA Realty Associates X TA Realty Associates IX	USD USD	1,560 1,490	2012 2008

▲ ▼ — Indicate whether the manager has moved up, down or stayed the same rank relative to their rankings on 8/31/16*.

The rankings are based on the Setter Liquidity Ratings which rates fund families as Excellent, Very Good, Good and Unrated depending on how sought after and saleable they are on the secondary market. The Ratings are in large part determined by the collective shortlists of the 1300+ buyers Setter Capital covers, which are conveyed directly or via SecondaryLink. See the last page for more details and limitations of the Setter Liquidity Rating.

Who's In & Who's Out

New Managers That Made the Rankings

(compared to the rankings on: 8/31/16)*

[Crow Holdings](#)

[Rockpoint Real Estate Fund](#)

[TA Realty Associates](#)

Managers That Didn't Make The Rankings

(but were on the rankings on: 8/31/16)*

[Europa Fund](#)

[Exeter Property Group](#)

[Niam](#)


* Note: Only 5% of all managers receive a Setter Liquidity Rating of Good, Very Good or Excellent. Movement in the rankings does not necessarily mean a change in market sentiment towards the manager. Movement may also be caused because Setter Capital has more visibility on the number and quality of buyers that make up the number of Prime Buyers.



To see more Sought-After Funds use the SecondaryLink Fund Screener: www.SecondaryLink.com/funds


Most Sought-After Managers Currently Fundraising

Fund Being Raised	Currency	Target Size	Fund Family	Setter Liquidity Rating	Prime Buyers
1 ColData IV	USD	150	Colony Investors (real estate)	Good	22
2 LaSalle Asia Opportunity Fund V	USD		LaSalle Asia Opportunity Fund	Good	18
3 Gaw Capital U.S. Value Add Fund I	USD	500	Gateway Capital Real Estate Fund (Gaw Capital)	Good	15
4 Gaw Capital US Fund	USD	500	Gateway Capital Real Estate Fund (Gaw Capital)	Good	15
5 TA Realty Associates XI	USD	1500	TA Realty Associates	Good	14

 Search other Sought-After Managers that are fundraising via the SecondaryLink Fund Screener: www.SecondaryLink.com/funds

Why do primary investors look at secondary demand?

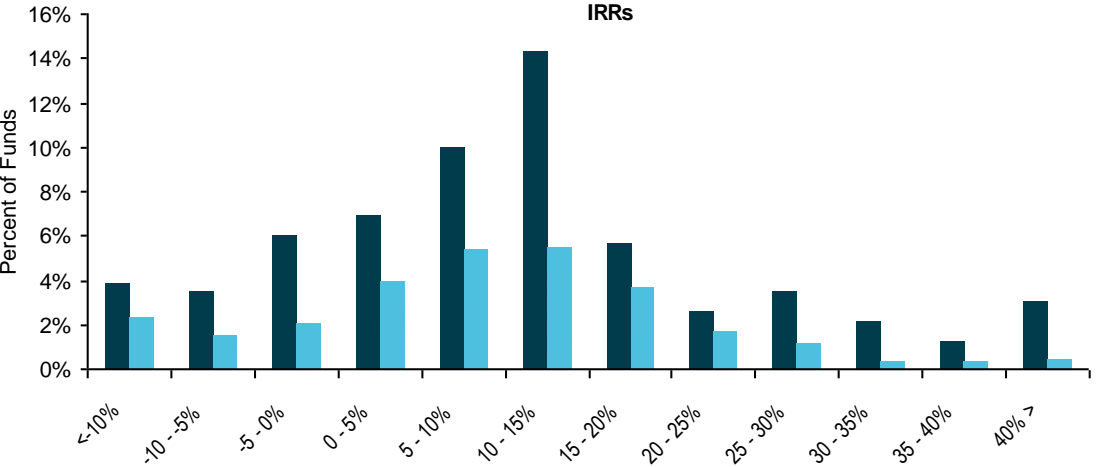
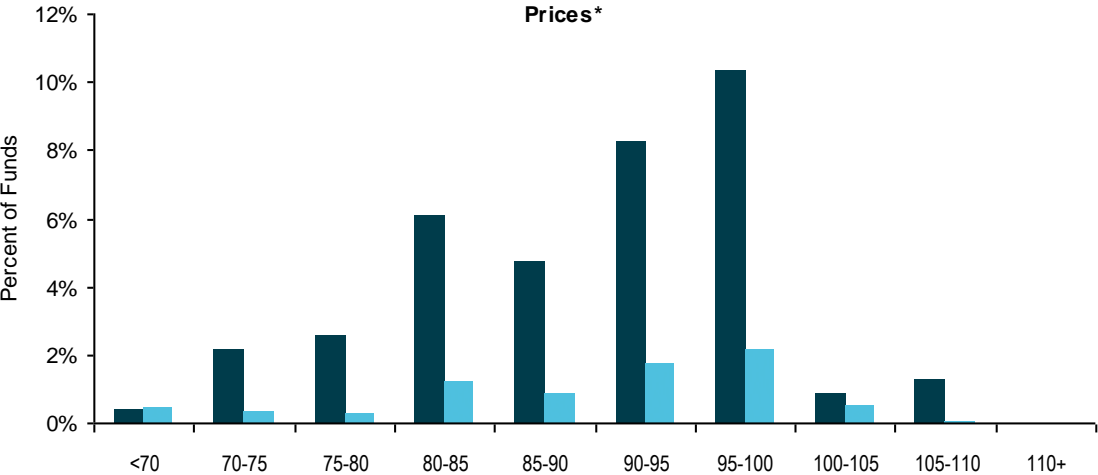
Strong secondary market demand suggests a fund is popular among LPs and may be an interesting primary candidate
 Low secondary market demand suggests additional liquidity risk in the future

 Search a fund's Liquidity Rating via the SecondaryLink fund screener: www.SecondaryLink.com/funds

How do the Most Sought-After Funds Compare to Less Saleable Funds?

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Below is a comparison between the funds of the Most Sought-After managers (which are listed on the previous pages) and funds of Unrated managers.



Noteable Differences

With respect to buyer demand, there are significantly more Prime Buyers* for the Most Sought-After Managers than for the managers with a Setter Liquidity Rating of Unrated:

- Avg. Number of Prime Buyers TOP 25: 23
- Avg. Number of Prime Buyers Unrated: 2

Accordingly, the funds of Most Sought-After Managers price better than funds of Unrated managers:

- Avg. Price TOP 25: 90.14% of NAV
- Avg. Price Unrated: 89.39% of NAV

Not surprisingly, the Most Sought-After Managers' funds have performed better than those of Unrated managers:

- Avg. IRR TOP 25: 8.56%
- Avg. IRR Unrated: 8.19%

The Most Sought-After Managers also tend to have raised the most capital - on average they have raised more funds and larger funds than Unrated managers:

- Avg. Fund Size TOP 25: 595M
- Avg. Fund Size Unrated: 490M
- Avg. Number of Funds Raised TOP 25: 8
- Avg. Number of Funds in Raised Unrated: 2

* Please see the last page for definitions and report limitations. This report should not be relied upon to make investment decisions. Pricing is subject to selection bias (e.g. it is more difficult to get pricing for Unrated funds, resulting in lower priced funds being underrepresented).

Definitions

Exposure: NAV + Undrawn

Prime Buyers are buyers that are existing investors in the fund family, have it on their shortlist or have recently priced it. Other buyers, who have a general interest in buying this type of fund but not the fund specifically (“General Buyers”), are not included in the number of indicated prime buyers

The Setter Liquidity Rating (SLR) is a subjective measure of the relative liquidity of non-redeemable alternative investment funds and is not a measure of the investment merits or quality of a fund. The SLR and number of Prime Buyers are determined by Setter Capital and rely in part on subjective assessments of: the seriousness, capacity and number of interested buyers for a fund; and the ease of transfer. The SLR and number of Prime Buyers should not be relied upon to make any investment decision or to predict the future liquidity of a fund. Also, the SLR is not intended as a measure or indicator of the liquidity of a fund's underlying portfolio holdings. The SLR applies to an entire series of funds, or 'fund family', and individual funds within a fund family may be more or less illiquid than the SLR indicates. For instance, lightly funded funds or very old funds are often less liquid than funds that are greater than 30% funded or less than seven years old. Also, smaller interests and very large interests have fewer buyers with less liquidity. The liquidity of a fund and the SLR can change at any time, as demand for a fund family changes or transfer becomes more or less restrictive or Setter Capital re-evaluates or gains new insight into a fund's relative liquidity. See the article 'Setter Capital Liquidity Rating' for more details. The SLR is not provided as a service and Setter Capital, SecondaryLink and DiligenceLink therefore assume no responsibility for any losses alleged to be the result of the use of the SLR or for any purported reliance upon the rating. The SLR may be flawed and Setter Capital welcomes suggestions to improve its usefulness.

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About Setter

Established in 2006, Setter Capital is a leading independent advisory firm specializing in providing liquidity solutions for fund managers and institutional investors in the secondary market for alternative investments. We serve a diverse institutional client base including some of the world's largest pensions, endowments, investment consultants and fund managers. To date, Setter Capital has completed over 5000 transactions, representing more than \$25 billion in liquidity across venture capital, private equity, infrastructure, real estate, real asset, and hedge fund investments.

Setter Capital's mission is to make the secondary market more transparent and efficient for all market participants. To this end, Setter provides the market with complimentary secondary market research and analytical tools such as:

[The Setter Liquidity Rating™](#)

A unique rating system that allows buyers, sellers and creditors to assess the relative liquidity of over 7000 different fund families.

[The Setter Volume Report™ and the Setter Price Report™](#)

Two semi-annual reports that provide the most comprehensive and accurate assessments of the secondary market. Data is based on pricing of over 1900 funds and a survey of over two thirds of the most active secondary buyers globally.

[SecondaryLink.com™](#)

A professional network where over 5000 institutional LPs and GPs connect on primary due diligence and the secondary market.

Setter Capital Inc.
77 Bloor Street W. Suite 1220
Toronto, Ontario, Canada
+1 (416) 964-9555

www.settercapital.com