

Investors jump back into global funds

Global/Multi-regional funds bounce back

Based on YTD 2018 data, global/multi-regional funds have bounced back from their lowpoint in 2017. Back in 2014, 2015 and 2016, global and multi-regional funds raised record-setting amounts of capital. These

funds were large—the largest funds each year were always global—and typically focused on an opportunistic strategy.

Although global funds always account for a large percentage of the capital raised each year, just how large that percentage varies widely.

Back in 2014, global funds accounted for 24 percent of the capital raised. Global/multi-regional funds holding a final close in 2015 accounted for an astounding 40 percent of the capital raised in 2015. The next year, 2016, however, saw a drop in global funds' capital raising. Actually, 2016 saw a drop in all capital raising, but the drop in global funds' market share was particularly noteworthy. Instead of controlling 40 percent of the capital raised, funds with a multi-regional strategy raised 34.0 percent. 2017 saw this downward trend

continue, with global funds only accounting for 18 percent of the total capital raised.

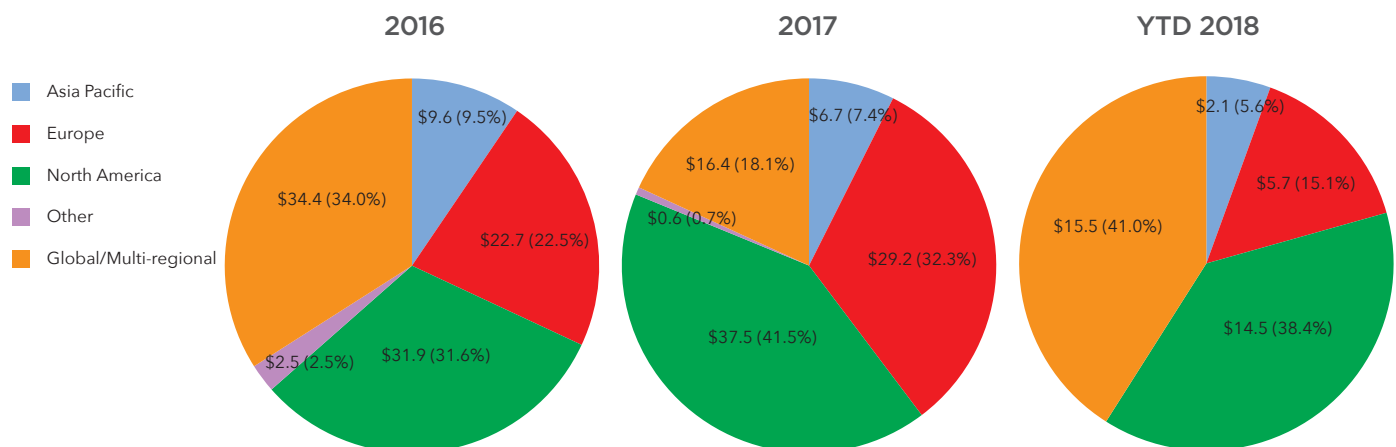
Instead of global funds, investors in 2017 put their capital into funds focused on North America or Europe. It's not unusual for investors to keep their capital close to home when the investment climate becomes uncertain, and 2017 was certainly an uncertain time.

Early numbers in 2018 show global funds regaining their mojo. YTD 2018 has global/multi-regional funds accounting for 41 percent of all capital raised. This might not hold as the year progresses, but it is certainly good news for global fund fans. Just four funds made up this total, with three of them raising more than \$3.0 billion. Global/multi-regional funds obviously remain some of the largest in the market.

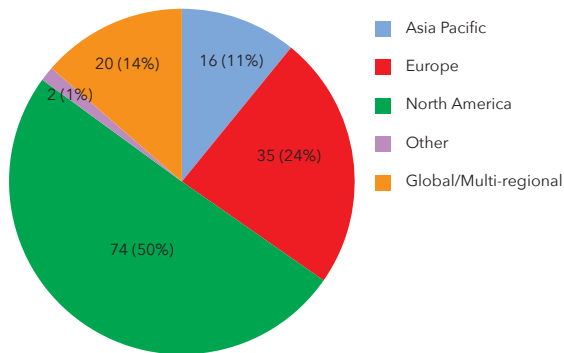
Although the amount of capital raised for each region bounces around quite a bit each year, each region accounts for about the same percentage each year. About 10 percent or 11 percent of the funds focus on Asia Pacific, 25 percent to 30 percent are Europe focused, and around 50 percent of the funds are focused on North American strategies. The number of global funds have ranged from 6 percent of the total number of funds closed in a year to a little more than 13 percent. The remaining funds are focused on Latin America or MENA.

- 41% of the capital raised YTD 2018 is in global funds
- North American funds raise second-most capital YTD 2018
- Half of all funds closed YTD 2018 are global

Capital raised by funds closing each year by region (\$B)

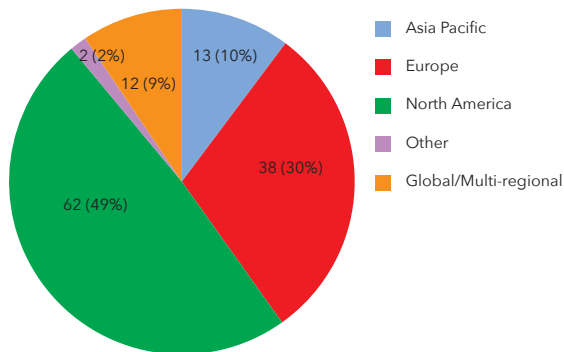


Number of funds closed by region — 2016



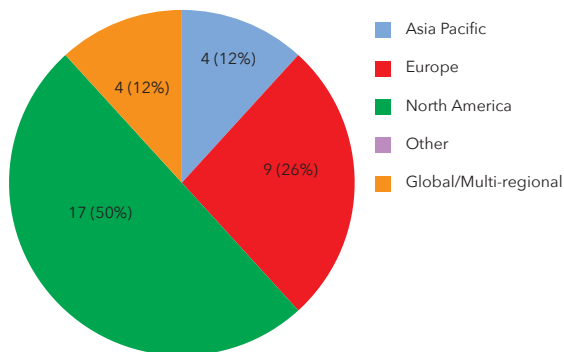
Source: IREI FundTracker

Number of funds closed by region — 2017



Source: IREI FundTracker

Number of funds closed by region — YTD 2018



Source: IREI FundTracker

YTD 2018 = May 1, 2018

Information in this report has been drawn from IREI's proprietary FundTracker database. Online subscriptions are available. Click [here](#) for more information.

from the IREI NEWSLINE

- [Blackstone Real Estate Partners VIII](#), a fund managed by Blackstone Group, has plans to acquire Gramercy Property Trust, a publicly traded REIT that primarily invests in industrial properties, for \$7.6 billion.
- The \$148 million [Teacher Retirement System of Texas](#) has committed \$150 million to PCCP Equity VIII, an opportunistic fund that targets office, multifamily, retail and industrial assets across the United States.
- The \$49 billion [Tennessee Consolidated Retirement System](#) has committed \$50 million each to three real estate funds – GreenOak U.S. Fund III, Savanna Real Estate Fund IV and CBRE Strategic Partners U.S. Value 8.
- [Angelo Gordon](#), a \$28 billion alternative investment firm focused on credit and real estate investing, has held a final close for its second European realty fund, AG Europe Realty Fund II at \$843 million in equity commitments, surpassing its \$750 million target.
- The \$201.2 billion [New York State Common Retirement Fund](#) has committed \$150 million to Mesa West Core Lending Fund, a perpetual life open-ended commingled real estate debt fund.
- [AEW Capital Management](#) has held a \$614.85 million final close for AEW Partners Real Estate Fund VIII, an opportunistic real estate fund that invests in assets throughout the United States.

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FUNDTRACKER TRENDWATCH

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