

## Ascentris

## An investor first, a fundraiser second

## CONTRIBUTORS



**Robert Toomey**  
President

Rob Toomey serves as president of Ascentris, the company he co-founded in 2015. From 1999–2015, Toomey served in many roles at Amstar, where he was responsible for sourcing, underwriting, due diligence, transactional and joint-venture structuring, asset management, and dispositions of a portion of the company's office, industrial and multifamily investments across the United States. He also served on the firm's executive and investment committees. In 2010, Toomey helped establish Amstar Advisers, the SEC-registered real estate investment manager that was formed to invest and manage the capital of some of the most respected retirement systems across the United States.



**Patrick Kendall**  
Managing Director

Patrick Kendall is responsible for the company's marketing efforts. Prior to joining Ascentris, Kendall was managing director at Barings, a global financial services firm with more than \$306 billion of assets under management. While at Barings, he was responsible for business development and client relations in the western United States for all the company's real estate offerings. Kendall joined Cornerstone Real Estate Advisers in March 2003 as vice president, marketing, responsible for business development and client relations in the western United States. Cornerstone merged with Barings in 2016.

*We understand you recently hired Pat Kendall out of retirement to join Ascentris. Tell us why you chose to do that.*

**Toomey:** It is not everyday that organizations have the opportunity and privilege to obtain talent like Pat. We have known Pat for years and thought he would be an exceptional fit, as we thought through how to best grow the company. Pat aligns well with our culture and values, and his reputation, experience and relationships are second to none — he is exactly what we were looking for when we thought about how to best broaden our investor base.

*Pat, what did you find attractive about Ascentris, such that you were willing to leave retirement?*

**Kendall:** The decision to join Ascentris was very easy. I truly enjoy the institutional real estate investment management industry, and I have known the senior team for more than 10 years. I have both respect and admiration for

what they have built at Ascentris, and I think the people, platform, philosophy, portfolio and performance are outstanding and consistent with what I believe a real estate investment manager should be. Joining Ascentris is an opportunity for me to help Ascentris achieve its stated growth objectives with people whom I really like and enjoy being around — and ultimately leave a legacy I can be proud of when I am truly ready to retire, this time for good!

*Is it fair to assume Pat is taking over the marketing of the organization? What will Rob's focus be moving forward?*

**Toomey:** Yes, Pat will be taking over the organization's marketing efforts. As for me, I still plan on spending time on the road with Pat, as I truly enjoy the personal interaction with our investors. But as Ascentris grows, I will be spending more time focused on portfolio management and organizational matters to ensure we manage the growth responsibly.

*Have there been any significant changes to the organization or the team in the past year?*

**Toomey:** Yes, there have been a number of recent changes to the organization that are worth mentioning. Ascentris now has four partners. Tricia Noble, who joined Ascentris as a managing director in 2012, was made partner in 2018. Tricia has been instrumental in establishing our industrial capabilities throughout the United States and expanding our operating and development partner relationships nationally. Pat Kendall was also made a partner earlier this year. Jacques Vedra, who has been with us since 2010, was promoted to CFO in 2018 and has taken a more active role leading the organization's financial functions. Last year, Jeff Stonger rejoined Ascentris as a managing director responsible for the western region. We sent Jeff to Europe several years ago to lead an investment team there, and we are thrilled to now have him back in Denver, as we believe he is one of the very best in the business.

*Tell us more about your desire to market to LPs capable of investing with Ascentris.*

**Kendall:** Ascentris historically has been very successful with separate account mandates. We plan to continue to grow that segment of our business with our existing investors, in addition to adding a few new investors. Concurrently, we have launched the first in a series of longer duration, closed-end, commingled, value-add funds: Ascentris Value Add Fund III. We refer to it as AVA Fund III. We launched the fund because we have had several investors tell us they like the Ascentris platform and strategy, but either do not invest in separate accounts or do not have the scale to have separate accounts. AVA III allows us to broaden our universe of investors who want access to the Ascentris platform without modifying our core competency.

*Does that mean you are no longer interested in forming separately managed accounts?*

**Toomey:** No, we remain very interested in separate accounts. We believe that in order for any organization to be successful, it needs to have a capital structure complementary to its investment strategy. In our case, we have been very successful investing across all property types and geographic regions depending on where the sectors and regions are within their respective cycles. This type of investment strategy requires having a flexible capital structure, so we can rotate capital depending on the opportunities in the market over the long term. As such, our investment strategy is best suited for vehicles that are longer in duration. Not only does this allow us to successfully execute our investment strategy, but it also results in developing a long-term investor relationship built on trust over multiple market cycles. Our view is that a longer duration vehicle is a terrific way for a client to get a significant amount of our time and attention and a great way for us to stay focused on what is important: wisely investing and managing our clients' capital with a longer term perspective in mind. We have built Ascentris, and its organizational structure, around the thesis that we prefer to be investors first and fundraisers second; we believe both our separate accounts and AVA III accomplish that important objective.

*Tells us something unique about your investment management approach.*

**Kendall:** Since its formation, Ascentris has sold more than \$1 billion of real estate to core buyers seeking long-term-hold properties that Ascentris either acquired and repositioned or developed from the ground up. While our investors have been thrilled with the results of those sales, we have always been intrigued by the concept of holding those stabilized core assets and allowing our investors to harvest long-term cash flow. After years of studying the structure, we accomplished that in 2018 when we finalized a new core investment vehicle within one of our separate accounts for

the purpose of transferring stabilized core properties from a value-add portfolio into a new long-term-hold portfolio. The vehicle provides both our investors and operating partners with a host of benefits. We are now able to provide our investors with broader access to high-quality core real estate while avoiding excessive frictional costs associated with open-market transactions. Our operating partners benefit as well, as they now have the option to remain invested long-term in properties we have either acquired or developed together. We could not be more excited about this new vehicle.

*Can you quickly tell us more about your current views of the U.S. property markets and what you find attractive today?*

**Toomey:** What we have learned is that most people are tired of answering the "what inning are we in" question. It is almost as if everyone is suffering from cycle fatigue. For us, as a fully diversified value investor, we are focused on both short and long positions in certain property types and U.S. regions. "Short," to us, means focusing on positions that enable us to execute the investment's business plan within two to three years.

"Long," to us, means investing in sites or properties that we believe are "generational" in their profile. These are properties that you would want to hold forever. We are highly skeptical of investments that require a medium-duration business plan at the moment.

*What you are trying to accomplish in the next 12 months?*

**Kendall:** My primary objective is the successful raise of AVA III. Through AVA III, we will broaden our LP investor base and offer smaller LPs access to this great platform.

*What, then, are your long-term growth objectives?*

**Kendall:** We plan to grow Ascentris, but not just for growth's sake. We want to be extremely disciplined in how we achieve that growth. We are committed to maintaining our culture, values and investment discipline. That culture is in our DNA, and we are committed to vigorously protecting it. We are just under \$2 billion in AUM today. The target is to have \$5 billion of AUM in 5 years through a series of successful value-add funds and additional separate account mandates.

## CORPORATE OVERVIEW

**Ascentris** is a real estate private equity firm based in Denver, Colo. With more than \$1.3 billion in assets under management, Ascentris manages a series of fully discretionary institutional vehicles targeting core, value-add and opportunistic investments across all the major property types and geographic regions within the United States. Since 2003, Ascentris' management team has relied on an investment philosophy and organizational structure that results in its investors getting to opportunities ahead of the market, while receiving an unmatched level of service, transparency and accountability. Ascentris is a privately held and management-owned SEC registered investment adviser that maintains an unwavering commitment to put its investors' needs first.

## CORPORATE CONTACT

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