

INVESTOR

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TRUST COMPANY BEEFS UP SALES TEAM

Trust Company of Australia has appointed Tony Sequeira as business development manager, superannuation and Stephanie Drewe as business development manager, business and finance.

Sequeira takes responsibility for client development and relationship management in institutional superannuation markets. He has 30 years' experience including business development management roles at Accountants Superannuation Fund and Mellon/NSP Buck Consultant.

Drewe will focus on client development in structured finance, property, mortgage and infrastructure custody. She has 10 years' business development management experience including with Corporate Enterprise Group and Robertson Smart.

SAVAGE READIES FOR PERPETUAL CHAIRMAN ROLE

Robert Savage will replace Charles Curran as chairman of Perpetual Trustees Australia, following Curran's retirement effective on October 18 after the group's AGM.

Savage has served as a director of Perpetual for more than four years. He is the former chairman and managing director of IBM Australia and New Zealand and currently the chairman of David Jones and Mincom.

Curran became chairman in October 2001 after serving as deputy chairman for six years.

He joined the board of Perpetual Trustee Company in 1987 and the board of Perpetual Trustees Australia in 1990.

INVESTOR SENTIMENT ON THE RISE: IFSA

Levels of investor sentiment recorded in an Investment and Financial Services Association (IFSA) survey in July have revealed an improvement in confidence from 12 months earlier.

IFSA chief executive Richard Gilbert said compared with 2004, investor satisfaction with superannuation, managed funds and direct shares had increased markedly. In addition, managed fund investors appeared to be less stressed than 12 months ago, and less concerned about fees and charges and short-term returns.

\$1 billion real estate fund hits market

BILL MCCONNELL

In a global first, Rismark International, backed by a 50 per cent equity investment from Macquarie Investment Banking Group, is about to unveil a \$1 billion residential real estate fund offering a new asset class for Australian institutional and superannuation investors.

The Advanced Real Estate Solutions (ARES) Fund will effectively securitise \$1 billion of residential real estate mortgages tagged Equity Finance Mortgages (EFM) with the EFMs to be distributed via banks and leading mortgage providers. The fund has already secured contracts with two of the countries leading mortgage providers channelling in excess of \$1.5 billion of mortgages a month. Based on feedback from previous investment roadshows, the fund expects to sign \$1 billion in investments from superannuation and institutional funds during the next 12 months.

"The ARES Fund will be targeting attractive ungeared post fees and expenses returns in the double digit range with low volatility," Rismark executive director Richard Facioni said.

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Rismark said the ARES Fund's performance estimates had been independently audited by Mercer (Finance & Risk Consulting), which had signed off on the mathematical and logical integrity of the models, and NERA Economics Consulting (a wholly-owned Mercer subsidiary), which had signed off on the reasonableness of the key economic, financial and residential real estate assumptions.

It is expected that funds invested in the ARES Fund will receive exposure to up to 20,000 owner-occupied properties located in metropolitan areas across Australia. The fund's underlying structure is a world first with Macquarie the



exclusive global arranger of the offering. Macquarie Investment Banking Group is run by Nicholas Moore and contributed 51 per cent of Macquarie's total global profit in 2004.

Investor Weekly understands that at the time Rismark decided to accept Macquarie's investment proposal, the company was in the final stages of negotiations with UBS Investment Bank in relation to an alternative offer. That offer was marketed via a roadshow to investors in late

2004 to test investor interest for a hypothetical \$500 million fund. Investor response is believed to have lured Macquarie in with a superior bid and expectations for a fund twice the size.

"The ARES Fund is a major development in the asset management sector and is expected to provide Australian institutions with high growth, low volatility and well-diversified exposures to the \$2.8 trillion residential real estate asset class," Facioni said.

"Targeted returns will be well in the double digits."

Under the contract conditions of the EFM, investors will share in both the gains and losses

associated with changes in the capital values of the ARES Fund's underlying properties.

"Rismark's conservative base-case estimates of the ARES Fund's performance would be boosted materially in the event of a re-rating prior to any liquidity event," Facioni said.

Russell Aboud, a Rismark principal and key strategic advisor, said: "One of Rismark's strengths is the rigour and sophistication of its investment and portfolio construction systems, which draw on vast amounts of information in order to compute the ARES Fund's optimal portfolio weights to specific geographies, dwelling types and consumer cohorts." ❖