Montgomery Street PARTNERS

Firm Overview

INTRODUCTION

Montgomery Street Partners, LP ("MSP") is a diversified commercial real estate investment firm that invests across property types and geographies. MSP's primary investment strategy is to pursue programmatic GP Equity Co-Investments with established institutional-quality operator partners who operate within a well-defined real estate sector or theme. Additionally, MSP pursues strategic Entity and Platform Investments in real estate operating companies, as well as Limited Partner investments in individual real estate assets.

MSP is the successor to previous entities established through a partnership between Richard C. Blum, Murray J. McCabe, and Max Lamont. Since its inception in 2013, MSP and its affiliates have acquired $2.1 billion of real estate assets, representing $1 billion of equity value. Investment areas of focus include purpose-built student housing, high barrier-to-entry self-storage, high quality manufactured housing communities, seniors housing, and specialty care housing. In all cases, MSP or its affiliates are either the controlling investor or the majority participant in the general partner portion of the capital structure.

MSP AT A GLANCE

Founded: 2013

Employees: 12

Offices: Dallas, TX and San Francisco, CA

Total Assets Acquired: $2.1 B

Market Sector Focus:

Manufactured Housing Communities
Senior Living
Purpose-Built Student Housing
Self-Storage

EXPERIENCED TEAM

- The MSP investment team has over 75 years of real estate investment experience, including over $250 billion of transactional activity and experience managing a $10 billion real estate credit portfolio at a prior financial services firm
- Prior to forming MSP, MSP's team members worked in real estate investment banking and private equity at firms such as J.P.Morgan, Goldman Sachs, Harvard Management Company, RSF Partners and KeyBanc Capital Markets

PARTNERSHIP PHILOSOPHY

- MSP is committed to seeking advantageous investement opportunities across product types with sustainable growth prospects and barriers to entry where demand is primarily driven by demographic fundamentals
- In order to execute on a particular strategy or investment opportunity, MSP forms programmatic partnerships with best-in-class management teams that have a proven track record investing in a certain market or asset type

MSP FUND FOCUS

- MSP's primary strategy is to pursue programmatic GP equity co-investments with established operators who operate within a well-defined real estate sector or theme
- Due to the nature of MSP's GP strategy, there are recurring opportunities for direct LP capital investments ranging from $5 to $500 million on a deal by deal or programmatic basis
- The MSP fund targets opportunistic and value-add real estate investment opportunities in the United States, Canada and United Kingdom

RISK MITIGATION

- By investing through lower leverage capital structures and targeting assets priced below intrinsic value and/or benefitting from long-term growth drivers, MSP seeks to mitigate the risks typically associated with opportunistic real estate investments
- MSP seeks investments where operational expertise leads to unique value creation opportunities

MANUFACTURED HOUSING COMMUNITIES

- Manufactured housing is a defensive sector that exhibits elevated operating margins, low demand correlation with the broader economy and capital requirements that are lower relative to other real estate product types. The sector also benefits from an almost total absence of new development

SENIOR HOUSING AND HEALTH CARE REAL ESTATE

- In the medium to long-term, healthcare reform and the aging baby-boomer demographic should accelerate economic demand for healthcare services and real estate

PURPOSE-BUILT STUDENT HOUSING

- Student housing is a highly-fragmented, niche real estate asset class buttressed by long-term demographic and behavioral shifts and is still in the early stages of maturation and consolidation

HIGH BARRIER TO ENTRY SELF-STORAGE

- Self-storage is a highly-fragmented asset class in dense urban areas that provides an affordable incremental space alternative for both commercial and residential users, while remaining a difficult-to-develop product type

OTHER OPPORTUNISTIC

- Unique one-off investments that offer compelling risk-return profiles
- Investments related to new investment themes driven by demographic fundamentals

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