



## US roundup: Employees Retirement of Texas, Indiana Public Retirement

17 March 2015 By **Jon Peterson**

**Employees Retirement System of Texas** is investing \$100m (€94.4m) in funds focused on the US apartment sector.

The pension fund made two \$50m commitments to Abacus Multi-Family Partners III and Waterton Associates' Residential Property Venture XII fund.

Abacus is seeking a total equity raise of \$300m-400m for Partners III, with targeted IRR returns in the mid-teens.

The fund will buy existing assets that are undervalued or distressed, looking to turn B to B+ quality into A quality assets over the next couple of years.

The fund will avoid the likes of San Francisco and New York, where prices have risen, making value-added returns harder to achieve.

Waterton is looking to raise \$1bn-1.2bn for its Venture XII fund, which is due for a final close this summer.

Structured as a club fund with large investors, the vehicle has also been backed by Oregon Public Employees Retirement Fund (\$100m) and California State Teachers Retirement System (\$50m).

Waterton will also invest in underperforming properties in need of new investment, aggressive asset management and/or repositioning strategies.

In other news, **Indiana Public Retirement System** is investing \$75m in Harrison Street Real Estate Capital's Partners V fund.

The manager, which is making a \$17m co-investment in the fund, is targeting a 16% net and 21% gross IRR.

The US-focused fund will buy assets in the student and senior housing, medical office buildings and self-storage sectors.

Existing properties and equity investments in new development projects will be sought by the manager.