

Lowy Family Group backs new Assembly fund

By [Carolyn Cummins](#)

September 11, 2019 – 12.00am



Retail billionaire Sir Frank Lowy's family investment company is moving into the non-bank lending market after backing newly-formed business, Assembly Funds Management.

The Lowy Family Group (LFG) is a founding investor in Assembly which is aiming to raise \$450 million in a mix of debt and equity from high net worth investors.

The new fund was founded by former Westfield director Michael Gutman. He will serve as chief executive with seed funding coming from former JP Morgan Bank executive Trevor Loewensohn's Alceon group as well as LFG.

Assembly's first fund, ADPF1, has already raised \$150 million, through equity and will target residential, industrial, commercial, leisure and retail assets.



Assembly Fund Management's CEO Michael Gutman worked on the development of Westfield London.

It aims to raise a total of \$300 million in equity over the next two to three years, and will also raise another \$150 million in debt as it looks to fill the funding gap developers are experiencing as Australia's big four banks tighten lending standards.

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Michael Gutman

ADPF1 is an eight year-closed diversified fund and has already bought two residential developments, one each in Sydney and Melbourne and is now focusing on the logistics sector.

Mr Gutman said after leaving Westfield, where he was the global chief operating officer until the 2018 takeover by Unibail-Rodamco, he wanted to focus on doing something "more entrepreneurial and domestic-focussed".

"The Lowy family was keen to continue to support me and work together again after the 25 years we had been together at Westfield," Mr Gutman said.

"And obviously the relationship I've had with Alceon, which is a really great passive investor, really prompted me to look at assembling a business."

Mr Gutman said the fund's "lens is really the returns and we are almost asset class agnostic". It will target returns of up to 12 per cent.

Under the plan, the LFG will be a cornerstone investor in the initial unlisted ADPF1, with a \$75 million investment. Alceon and Partners have invested \$65 million and Mr Gutman has chipped in \$10 million.

Alceon will provide back office functions and property investment opportunities on a "non exclusive basis", according to the ADPF1 prospectus. LFG, while a passive investor, will provide research and expertise on the retail sector from its Westfield days and highlight potential acquisitions if they meet the fund's requirements.

Mr Loewensohn said Assembly Funds Management is not looking to "play in those big price shoot-outs where everyone ends up paying 3 per cent capitalisation rate for a mature office asset".

"That is not where we will get our excess returns. These investments are going to be slightly different and will need a little bit of creativity, innovation, flexibility and speed of response .. [to] deliver superior risk adjusted returns to our investors," Mr Loewensohn said.

Tim Meurer, formerly Invesco's head of acquisitions in Australia and New Zealand and previously at CorVal, was hired as Assembly's head of transactions.



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