

Lowy family, ex-Westfield COO Michael Gutman, Alceon team for new fund



Su-Lin Tan Reporter

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The Lowy Family Group, the private company of [Rich Lister Sir Frank Lowy](#) and his sons David, Peter and Steven, has injected \$75 million into new outfit Assembly Funds Management's first diversified property fund to invest into real estate equity and debt deals.

[The Lowy's family office is the cornerstone investor for the new Assembly vehicle, the Australian Diversified Property Fund I.](#)

It is joined by two other key investors, former Westfield chief operating officer Michael Gutman who has invested \$10 million and Sydney-based private equity firm Alceon, which has put in \$65 million pooled from its founders and domestic family office investors.



Michael Gutman, founder of the new Assembly Funds Management. **Supplied**

Mr Gutman who founded Assembly after Westfield was taken over by Unibail Rodamco last year has hired ex-Invesco and Corval's Tim Meurer to head up the search for investment opportunities for the fund.

After this initial round of capital raising, the fund will raise another \$150 million from local and foreign high net worth family offices and institutional investors in the next one to two years to reach \$300 million, demonstrating there is plenty of liquidity in the market for real estate deals.

"Assembly provides the opportunity to bring together my experience and relationships gained globally and locally over the past 40 years to deliver positive outcomes for our investors," Mr Gutman said.

"This will be an important partnership for us to participate in real estate investment opportunities in Australia and New Zealand going forward and we, of course, have great confidence in Michael having been colleagues at Westfield for 25 years," said LFG principal Steven Lowy.

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Steven Lowy, Frank Lowy and Peter Lowy at Westfield World Trade Centre in New York. **Supplied**

The fund has a target of 10 per cent to 12 per cent net internal rate of return and a distribution yield of about 5 per cent to 6 per cent, achieved through a diversified investment thesis across all property sectors including office, logistics, industrial, residential and retail primarily on the Australian eastern seaboard and importantly in assets across different life cycles.

With a planned leverage of 40 per cent, the fund will have a total of \$450 million to allocate.

It had already struck a preferential equity and senior debt deal for two mixed-use residential projects in Sydney and Melbourne, and was prepared to look at emerging and alternative investment opportunities such as repurposing retail properties or empty offices, Mr Gutman added.



Alceon, headed by Trevor Loewensohn and Phil Green, will provide back office support, fundraising and pipeline opportunities to AFM.

[The deal is hot on the heels of other recent and similar property funds such as Qualitas' second Opportunity Fund.](#)

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