

## **Liberty Asset Management announces US Opportunity Fund lead by real estate entrepreneur, Sean Conlon.**

Liberty Asset Management (LAM) is offering its clients and investors the opportunity to participate in its Conlon Real Estate Opportunities Fund which is seeking to raise \$25 million of investor equity to fund real estate opportunities in the US, sourced and managed by leading entrepreneur, Sean Conlon.

Irish immigrant to the US, Sean Conlon (Conlon & Co), is one of America's leading real estate entrepreneurs. With almost twenty years experience in both Chicago and the broader US markets Sean has a long-standing proven track record in real estate investment and development across all asset classes including office, retail, shopping centres, development sites (residential and commercial) and hotels.

In Sean's opinion, "2008 looks set to offer the biggest opportunity for European investors to buy US real estate for decades" and he believes that the changing landscape of US real estate and the potential currency opportunity available provides for a unique investment opportunity for Irish investors. This investment may be suitable for experienced investors who wish to diversify their portfolio of investments to include US based land/property development deals.

Sean's contrarian investment style has been at the root of his success and he maintains that now is the right time to invest in the US. During the past two US recessions, in the mid-90's and more recently in 2001 / 2002, Sean managed to thrive and grow his real estate empire. 'I'm a great believer in the philosophy espoused by Warren Buffet, "Be fearful when others are greedy, and be greedy when others are fearful!"

At the moment major real estate investment drivers are aligning in the US, particularly in favour of the Irish / European investor. Economic and property cycles are bottoming out, interest rates are sliding and both the Euro and Sterling are at record levels against the dollar.

Despite a growing interest in Asia, U.S. real estate, by a wide margin, has risen to the top of the global property market among foreign investors, with New York City and Washington named the top two global cities for foreign investors' real estate dollars according to the results of the 2007 Association of Foreign Investors in Real Estate (AFIRE) Survey.

The resilience of the U.S. real estate market among seasoned international investors is underscored by the timing of the AFIRE survey, conducted during the fourth quarter of 2007, after the much-publicised credit crunch and sub-prime mortgage crisis. In spite of this, on average, survey respondents say that slightly more than 50% of their real estate planned acquisitions in 2008 will be allocated to the U.S.

The Conlon Real Estate Opportunities Fund is using Sean Conlon's ability to identify, negotiate and capitalise on high yielding real estate transactions, whilst providing investors with the opportunity to co-invest with Sean.

The fund is seeking to raise \$25 million in equity and will focus exclusively on real estate related acquisitions across the US. Targeting off-market opportunities that demonstrate the potential for superior returns is the primary focus of the fund.

Both Liberty Asset Management and Conlon & Co have committed to invest \$2.5 million equity to the Fund. This sum must be committed for the term of the fund which is seven years, with the intention to commence maturing the fund after five years subject to market conditions.

The fund has two off-market seed transactions already secured and nearing the end of their respective due diligence processes.

The Fund is targeting a return to investors of over 20% IRR.

Participation in the Fund is open to self-administered pension funds and non-pension investors with the minimum investment amount being \$100,000.

### **US Business Case**

The US is rated by the AFIRE Survey as the most stable and secure country in the world for real estate investments in 2007 with 56% of the vote. Germany incidentally is second with 11% of the vote.

The US is also cited by the 2007 AFIRE Survey as offering the best opportunity for capital appreciation, ahead of both China and India who were ranked second and third respectively.

The euro reached its highest level against the dollar in late February 2008 when it breached the \$1.50 mark, this was the highest level recorded since the creation of the European single currency. Economic analysts believe that the dollar will remain above the \$1.50 mark in the short-term but as the Euro zone economy slows, the rate will gradually recede back to around the \$1.40 mark by the end of 2008.

The interest rate, which now stands at 3%, has fallen by a cumulative 2.25% in the five month period from September 2007 to January 2008. This trend looks set to continue as both the European Central Bank and the Bank of Japan look to further tighten interest rates. The US Federal Reserve is set to convene on March 18<sup>th</sup> at which point US interest rates are anticipated to decline further.

From a demographic perspective the US has a considerable advantage over Europe with the population expected to grow strongly over the coming years. With a projected population growth of an additional 120 million people over the next 40 years, long term economic expansion is all but inevitable.

To put this into perspective, this influx is the equivalent of the entire populations of both France and the United Kingdom entering the US over the next four decades.

A recession in the US and the possible impacts that it may have on the global economy is the current source of much debate and analysis. It is important to note however that a recession is a normal part of the economic cycle and does not imply terminal decline. The important question to ask however is that if a recession occurs in the US, how long is it likely to last?

Among the previous 9 recessions, since the end of World War II, the longest recession lasted 16 months and the shortest 6 months, with an average length of 11 months. If history is a window to the future then by the time a recession is officially announced it will already be nearing its end.

The last two recessions, in the mid-90's and more recently in 2001 were short, both lasting only eight months in total. The last US recession started in March 2001, but the

National Bureau of Economic Research (NEBR) did not call it until November of that year, by which time it had ended.

The US has, and will remain to be the world's largest and most resilient economy. In spite of the present situation and fear of recession, the US have proved in the past and will undoubtedly do so again, that it has an unparalleled ability to bounce back from any adverse economic shocks it receives.

#### **Liberty Asset Management**

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Liberty Asset Management is an Irish success story established in 1996 on the premise of providing innovative and unique wealth generating solutions to its nationwide base of clients. It provides services and advice on a range of financial matters from mortgages and group pension management to structuring investment portfolios and property schemes. Over the past twelve months in excess of 170 million has been invested in their tailored funds.

[www.lam.ie](http://www.lam.ie)

#### **Conlon & Co**

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Conlon & Co is a real estate investment and development company focused on servicing Irish demand for US real estate. The company specialises in originating, structuring and delivering off-market US real estate opportunities to Irish private client companies and individual high-net-worth investors. Conlon & Co is a joint venture partnership between Sean Conlon (Conlon & Co USA) and James Carroll (Investor First).

[www.conlonandco.ie](http://www.conlonandco.ie)



Liberty Asset Management  
Block 8 , Richview Office Park,  
Clonskeagh, Dublin 14

Tel: +353 1 636 2700  
Fax: +353 1 667 7738