

ASK Real Estate Special Situations Fund III Product Note



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Introduction:

ASK Property Fund is the real estate investment management arm of ASK Group, a leading asset manager in India. ASK Group is a Blackstone portfolio company with AUM of over INR 783 Bn (As of 31st December 2024)

Track Record:

- Raised INR 7,500 Cr and has extensive investment and asset management expertise
- A strong research focus, controlled investments, and active asset management
- 50+ million sq.ft. of real estate development. ASK's development partners include 9 listed/corporate developers of India
- 43 investments with 29 full exits, at an average IRR of ~19% and MoIC of 1.8x
- Received highest fund management grading (CARE AIF I) for RESSF III

Track Record of High Yield Debt Funds

Fund Name	Final Closing	Fund Size (INR Bn)	Invested (INR Bn)	Amount Exited (INR Bn)	Multiple of Exited Investment	Gross Investment IRR (%)	DPI	RVPI	TVPI
REPMS – II*	Feb '14	0.66	0.66	1.21	1.85	27%	1.73x	-	-
RESSF**	Mar '18	8.43	8.16	10.70	1.62	19%	1.21x	0.43x	1.64x
RESOF – IV***	Apr '23	11.82	14.23	3.97	1.21	20%	0.07x	1.17x	1.24x
Total – A		20.91	23.05	15.88					

*REPMS II – ASK PMS Real Estate Special Opportunities Portfolio II
**RESSF - ASK Real Estate Special Situations Fund I
***RESOF IV - ASK Real Estate Special Opportunities Fund IV

Opportunity:

- Recapitalization opportunity after NBFC crisis and new guideline by RBI
- Growth opportunity due to consolidation. Stronger players acquiring projects from weaker players or through lenders.
- Lowest inventory overhang and highest absorption



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Risk Management:

- Focus on self-liquidating residential assets
- Exclusive security of debt and equity like returns
- Investments only in projects with approvals
- Exclusive security of project land and receivables
- Cash cover of 2x with completion timeline of 3-5 years
- Investment level IRR of 19-21%
- No leverage at project or fund level

RESSF III Strategy:

High-yield credit focuses on refinancing & recapitalizing fully approved residential projects with annual coupon payouts. RESSF III is the third high-yield credit fund with the similar strategy:

RESSF III'S INVESTMENT STRATEGY				
Prudent Developer Selection	Location	Entry Price	Risk Management	Asset Management
Deep understanding of partner's core values and operations	Top 6 cities (Mumbai, Delhi; Bengaluru; Pune; Chennai and Hyderabad)	Conservative underwriting, with a margin of safety	Controlled investments	Active asset management with focus on cost, quality and timeline of completion

Key Differentiators:

- Owner-manager-framework with alignment of interest with investors
- Proven track record of fund management in residential real estate
- Network of strong industry relationships / regionally strong developers
- Compounding opportunity with existing partners
- Focus on risk and active asset management



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CRISIL Benchmark:

CRISIL Benchmark - ASK Real Estate Special Situations Fund-I (Category-II)

Values as on March 31, 2024 (Sub-Category - Real Estate Funds)

Vintage Year	No. of schemes in benchmark	Metric	INR		USD	
			Scheme	Benchmark	Scheme	Benchmark
FY17	10	Pooled IRR (%)	15.86	10.73	11.44	6.81
		DPI	1.08	0.65	0.97	0.60
		RVPI	0.54	0.73	0.46	0.63
		TVPI	1.62	1.38	1.43	1.23

DPI: Distributions to paid-in capital, RVPI: Residual Value to paid-in capital, TVPI: Total Value to paid-in capital
Schemes that have completed at least one year since their first close as on March 31, 2024, have been considered for the benchmark.
Returns and ratios refer to post-expense, pre-carry, pre-tax values.
Only those vintage years have been considered that have at least 3 schemes available. FY denotes financial year; for example, FY14 refers to period between April 2013 and March 2014.
Category II includes funds under sub-categories - Equity Funds – Unlisted, Equity Funds – Listed + Unlisted, Real Estate Funds, Debt Funds, Distressed Asset Funds and any other strategies registered under Category II of SEBI (AIF) Regulations, 2012

KEY TERMS OF THE FUND	
Target Size	INR 1,000 Cr (With Green Shoe Option of 1,500 Cr)
Target Gross Return	21% Gross Investment XIRR
Fund's Term	6 years from the first close, with two 1-year extensions
Commitment Period	1 year from the final close + extendable by 6 months at the Investment manager's discretion
Hurdle Rate	10% XIRR
Sponsor Contribution	5% + 1% by team

Achieved First Close

- 25% drawdown made till date
- First investment concluded
 - Location: Gurgaon; Developer: Satya Developers
 - Committed: INR 120 Cr; Invested: INR 35 Cr



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