

Feature: Lone Star well placed to take advantage of current downturn

Dallas-based distressed investor Lone Star Funds, led by the highly private John Grayken, is powerfully positioned to take advantage of the current global economic downturn, according to a profile of the man in the June issue of PERE magazine.

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This month's issue of *PERE* magazine takes a look at John Grayken, the man behind the firm which has been labelled by peers as a "real estate monster" and "the biggest name in private equity real estate over the next three years."

PERE spoke with a number of parties in both Europe and Asia familiar with the man and his business, which has raised approximately \$24 billion in equity and has closed on more than 900 deals totalling more than \$61 billion since its inception in 1995.

The report draws on conversations with people who know and have worked with the publicity-shy man, described by some as a "recluse".

Among the numerous characteristics attributed to the 52-year-old London resident, "persuasiveness" was one description to be uttered repeatedly.

The report also references a rare video of Grayken from January 2008, in which the Lone Star head is seen pitching board members of the Oregon Investment Council. The video, below, shows Grayken pitching his fund, and by the end of the presentation, a member of the Oregon Investment Council asks to increase the size of the pension's commitment to Grayken's fund.

PERE reports that Oregon was initially minded to commit \$300 million to Lone Star Fund VI, a fund that ultimately closed on \$7.5 billion towards the end of last year. That commitment rose to \$500 million.

(Grayken's pitch footage begins at 3:07 minutes. The video was filmed by former MaPS Credit Union chief financial officer Bill Parish, and his comments precede the Grayken segment. He *is not* affiliated with *PERE* or its publisher PEI Media.)

