

Opportunity.
Expertise.
Value.



iref IV
INDIA REALTY
EXCELLENCE FUND IV

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IREF IV –
Investment
strategy & key
terms

Executive Summary



Why Real Estate

**Huge Demand for Housing:
Shortage of 10 million urban homes[#]**

**Government focus on affordable
housing**

Increased transparency with RERA

* As of 31st Dec 17

[#] Ministry of housing and urban poverty alleviation



Our sponsor – Motilal Oswal

**Public limited company with a
Market Cap of ₹ 20,000 Cr+***

**Manages/advises funds worth
₹ 62,000 Cr+***

**MOPE manages cumulative AUM
worth ₹ 5,000 Cr+***



About MORE

**Motilal Oswal Real Estate (MORE)
manages cumulative AUM of
over ₹ 2,100 Cr***

**14 member team having cumulative
experience of over 100 years**

**Undertaken 38 investments
and exited 22 investments**

* As of 31st Dec 17



Our new fund - IREF IV

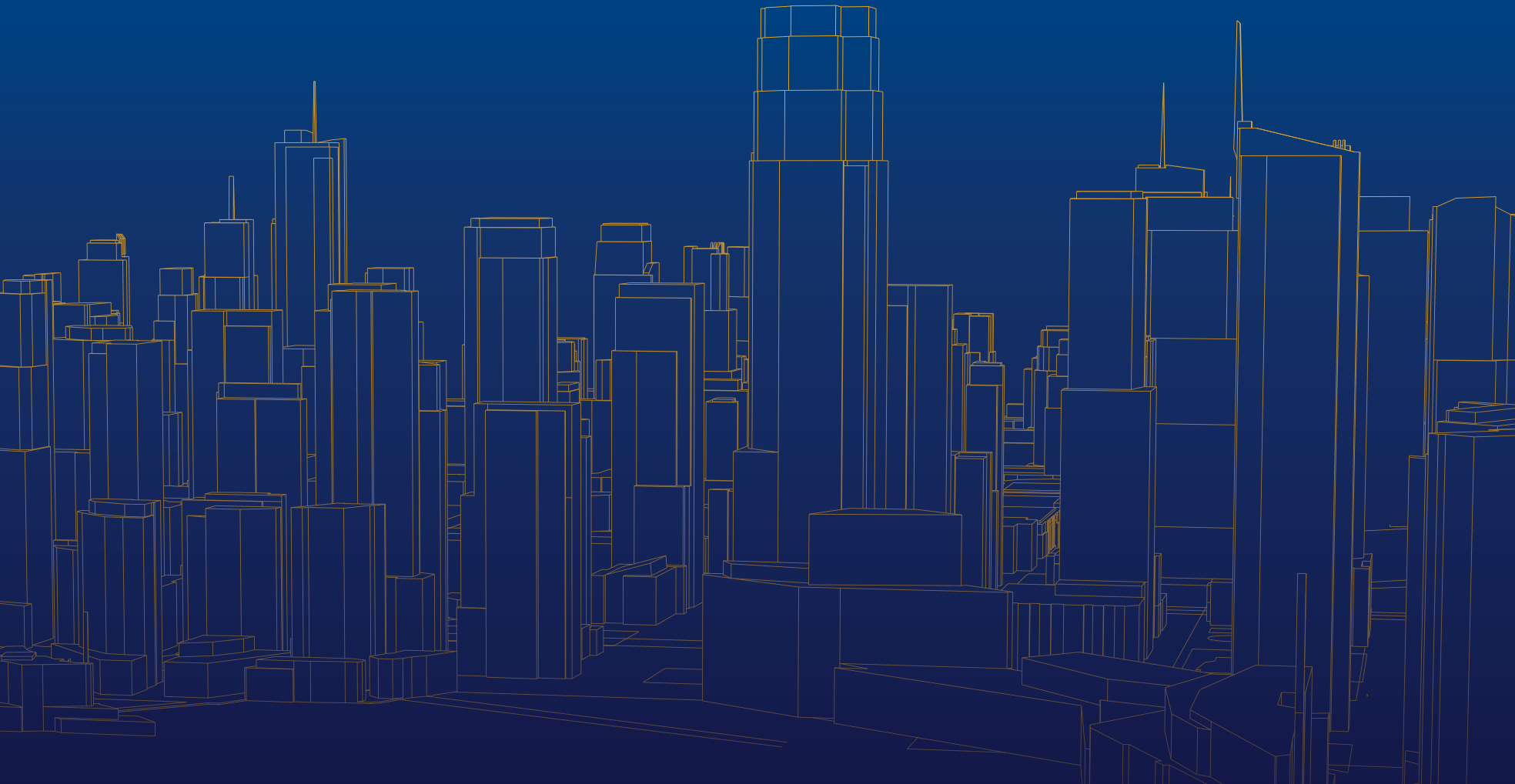
Target size of ₹ 1,500 Cr

**Domestic fund primarily focused on
investing in top 6 Indian cities**

**Investing in early stage mezzanine/
structured equity transactions**

**5+1+1 year tenure; Indicative
Gross IRR to be 22-24%; Sponsor
Commitment of up to ₹ 100 Cr;
Focus on Affordable Housing**

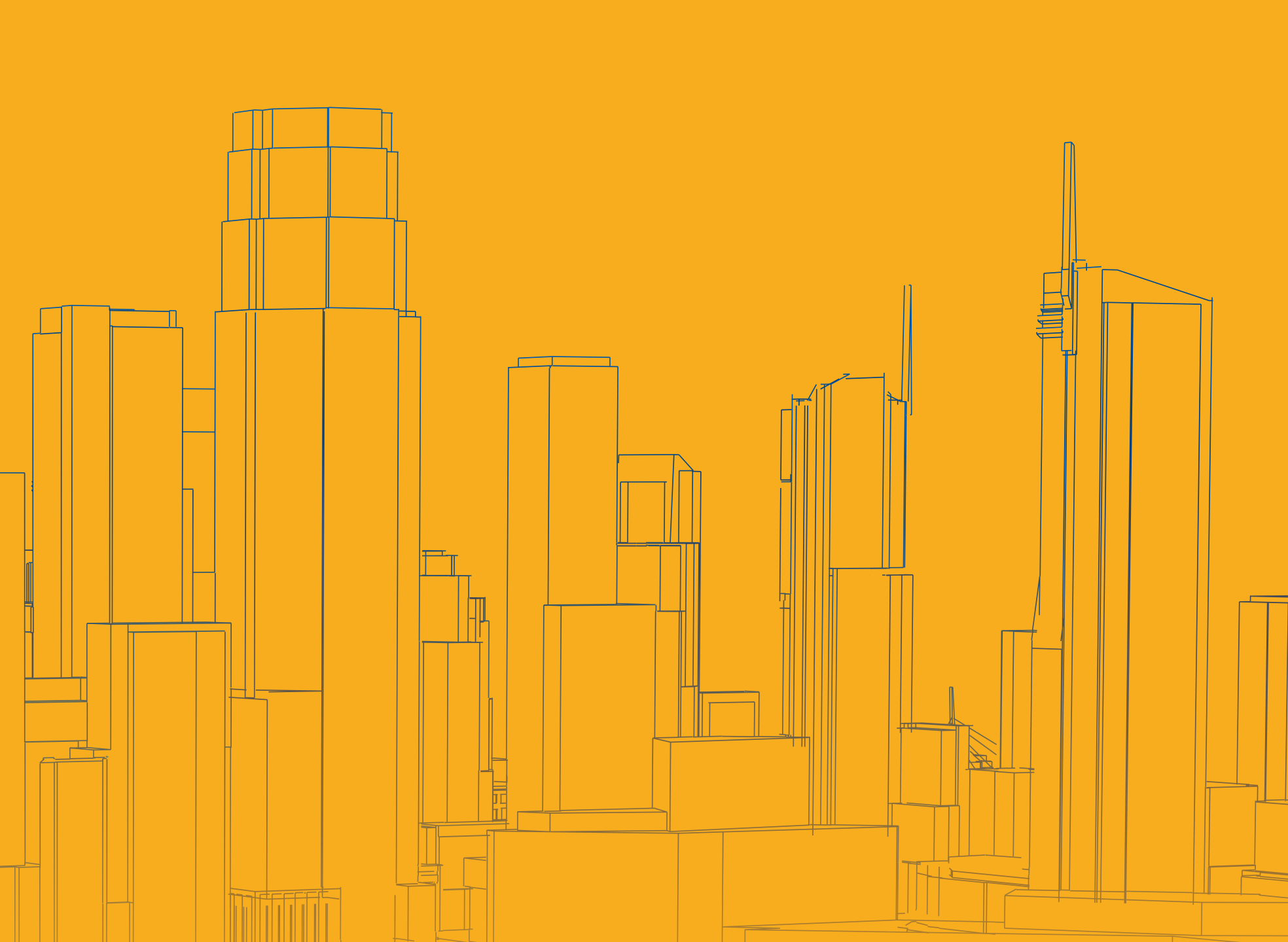
Opportunity.



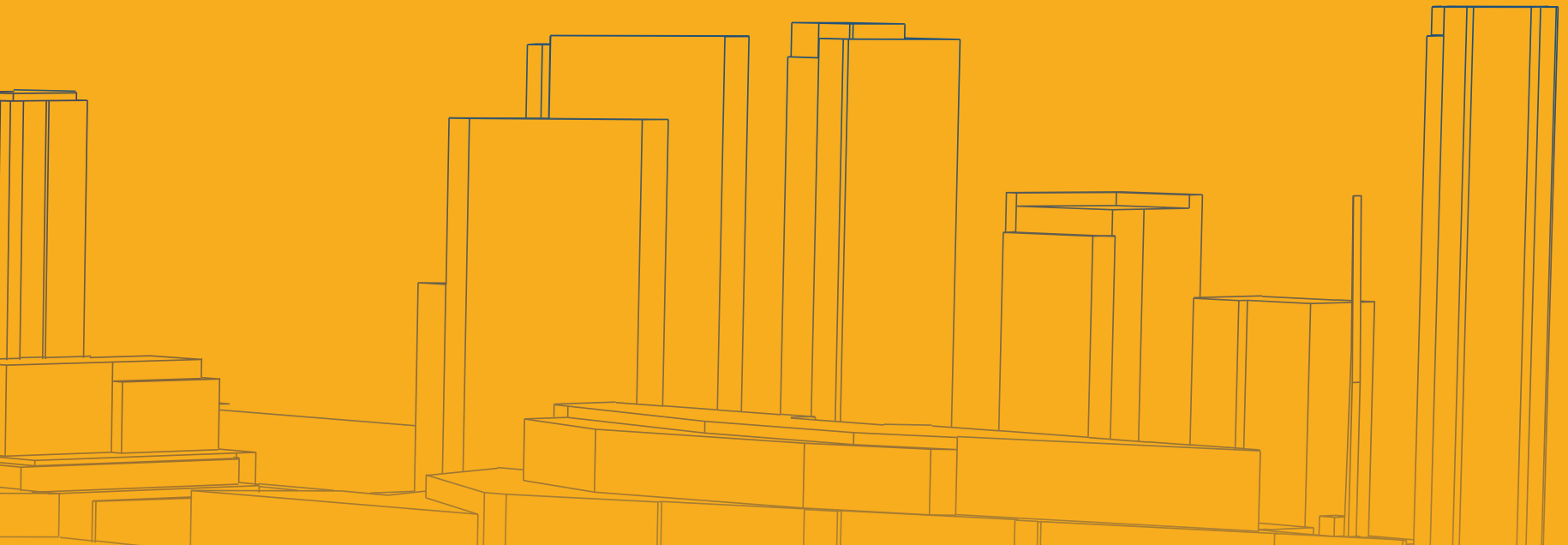
A white wireframe line drawing of a city skyline is positioned on the left side of the slide, extending from the bottom left towards the center. It features various building outlines and perspective lines.

■ **Why Real Estate ?**

■ **Why Real Estate Fund ?**



Why Real Estate?



Transformation in the sector led by increased Government focus on affordable housing

Demand side incentives

Housing for All by 2022 (PMAY)

- Govt. targets to tackle housing shortage through this initiative
- Facilitating higher investments in the sector thus benefiting both developers and consumers

Interest Subsidy Schemes (CLSS)

- Interest subsidy under PMAY for 4 classes – EWS, LIG, MIG-1 and MIG-2
- Interest Subsidy (~₹ 2.2 -2.7 lakh) for home buyers with annual income up to ₹ 18 lakh

Lower GST (8%) for Affordable Housing

- GST on Affordable Housing reduced from 12% to 8%
- Lower GST rate also applicable for buyers under interest subsidy scheme of PMAY



**Govt.
focus on
affordable
housing**

Supply side incentives

Infrastructure Status to Affordable Housing

- Govt. gave industry status to Affordable Housing in 2017
- Cheaper capital available for developers undertaking affordable housing

Higher Budgetary allocation

- Allocation to PMAY increased to ₹ 29,000 Cr for FY 18 from ₹ 21,000 Cr in FY 17
- Govt. to introduce an Affordable Housing Fund through NHB

Income Tax exemption

- Income tax exemption for 5 years for Affordable Housing Projects
- This exemption to fuel the supply in this underserved segment

Structural reforms by the Government to better regulation and transparency



Demonetization

- Demonetization curbed cash transactions thus curbing speculative pricing
- Liquidity was temporarily sucked out of the sector whereby some small and insignificant developers were affected



Goods & Service Tax (GST)

- GST subsumed a series of indirect taxes and ushered in a transparent taxation regime
- GST would ensure efficient payment systems through economic integration and minimize the cascading effect of taxation



Introduction of REITs

- Introduction of REITs would provide an opportunity for an investor to invest in commercial rental yielding real estate with a small ticket size
- This will usher in greater liquidity in the commercial segment of Indian Real estate
- From a developer's perspective, it shall complete the project lifecycle and shall provide a natural exit opportunity



Real Estate Regulatory Authority (RERA)

- RERA endeavours to bring in significant transparency in the sector
- RERA shall make the fragmented, unorganized real estate market more transparent & lead to further consolidation in the sector
- Regulation is expected to instil confidence among investors and consumers

A slew of changes, both macroeconomic as well as institutional, though disruptive in the short-term, will be a game changer and move the industry towards stability, market share consolidation and broader institutional ownership

Strong support from increased housing demand

Large growing market



- Favourable demographics – 66%* of population below 35 years
- Increasing shift towards nuclear families
- Market expected to grow at a CAGR of ~12% over next 7-8 years

Housing shortage & Rapid Urbanization



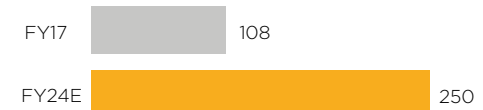
- Existing urban housing shortage of 10 million homes[#]
- Urban population in India is (434 million in 2015) expected to be about 600 million by 2031

Growth to be driven due to Govt. focus



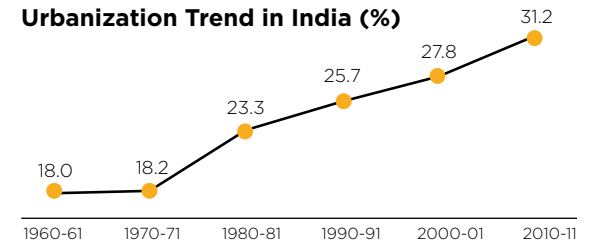
- ₹ 29,000 Cr allocated for “Housing for All” in FY18; 2.5 times more than its allocation in FY16
- Government projected spending for infrastructure sector between FY18-24 - ₹ 5,60,000 Cr

Market Size of Indian Real Estate (US\$ Bn)



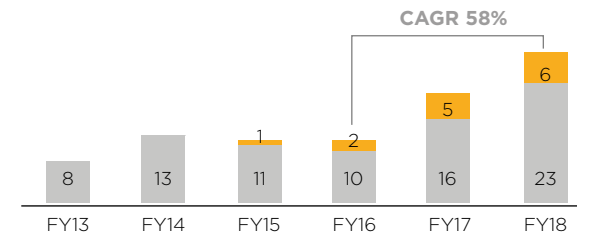
Source: CLSA

Urbanization Trend in India (%)



Source: JLL

Centre Budget for “Housing for All” (₹ ‘000 Cr)

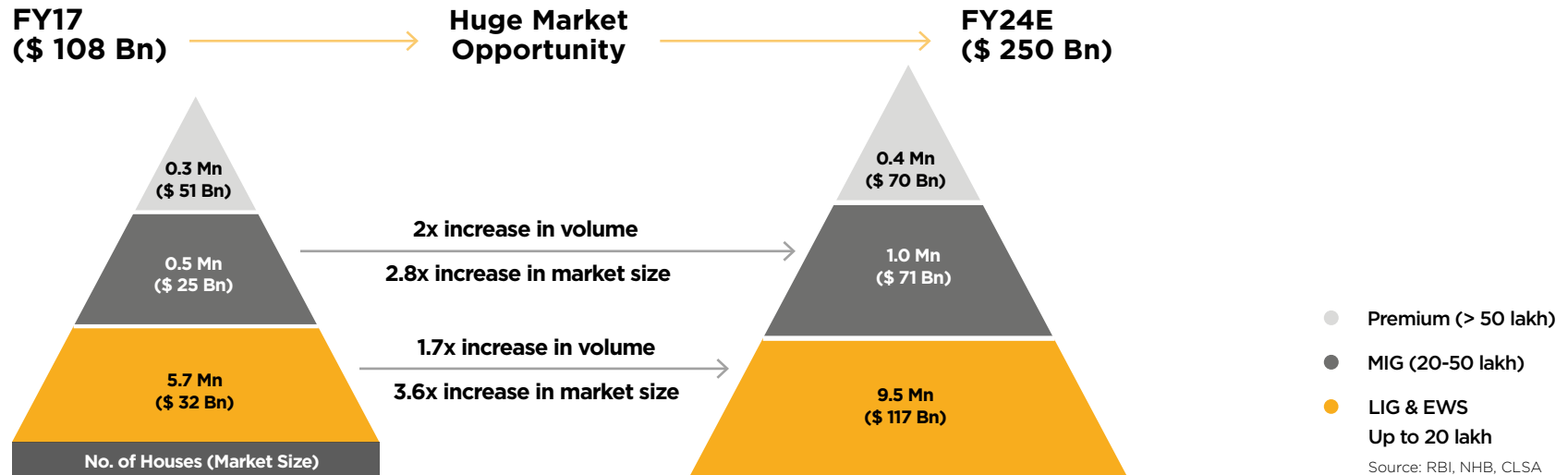


Source: Ministry of Finance, CLSA ■ PMAY-Rural ■ PMAY-Urban

* Ministry of statistics and programme implementation

[#] Ministry of housing and urban poverty alleviation

Improved affordability to drive up demand further

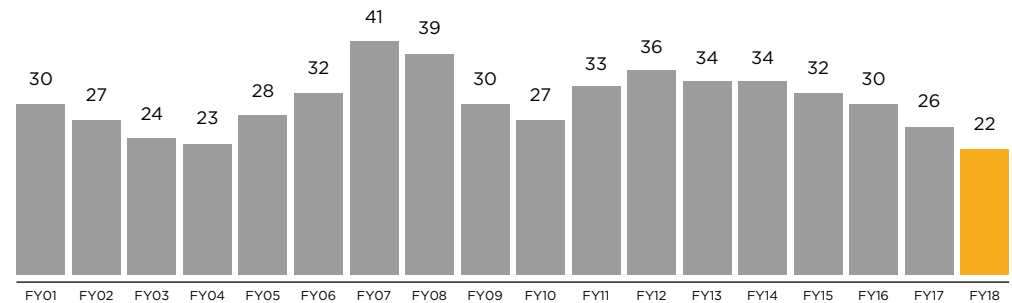


Improved affordability*

- Prices have remained stable for past 3-4 years
- Income risen steadily in this time @ 9-10% CAGR
- Mortgage rates down 250 bps from 5 year peak; effective 15% reduction on mortgage payments
- Lower “mortgage payment to income ratio” driving affordability

* Affordability refers to houses costing ₹ 3.0 mn

Mortgage payment to Income Ratio %



Source: SBI, CLSA



Why Real Estate Fund?



Direct investing constraints diversification benefits

Direct Investing



- Buying and holding physical real estate assets
- More preferred due to lack of alternative options

Indirect Investing



- Post FDI relaxation in 2005, real estate funds (domestic /offshore) have been a major source of capital provider for the sector
- Funds raised from HNIs, Financial Institutions, Corporates etc.
- Each fund has its own strategy – Equity/ Debt/ Mezzanine structures along with city and project specific strategy

Indirect Investment Provides Multifold Advantages As Compared To Direct Investing

Real Estate Investments	Direct Investment	Indirect Investment
Asset Diversification	No	Yes
Geographic Diversification	No	Yes
Developer Diversification	No	Yes
Collective Negotiation; Lower Entry Points	No	Yes
Secured Repayment	No	Yes
Higher Due Diligence	No	Yes
Active Asset Management and Control	No	Yes
Low Overhead Costs	No	Yes
Investment Making Discretion	Yes	No

Indirect investing offers better returns, lowers risk



Returns from Direct Investing



- Minimal price increase expected in next 2-3 years
- Price rise does not justify the high costs (GST, stamp duty, interest costs) incurred on buying property
- Maintenance costs post possession

Returns from Indirect Investing



- Fund participates in project profitability
- Returns not dependent entirely on price rise
- Indicative returns (IRR) targeted by funds have been the following:
 - Equity/Structured Equity Investments : ~23-25%
 - Mezzanine Investments : ~18-20%
 - Debt Investments : ~14-16%

Returns from Direct Investing

City	3 Years (CAGR)
NCR	-2%
Gurgaon	-1%
Noida	0%
MMR	4%
Navi Mumbai	3%
Thane	1%
Bengaluru	7%
Pune	3%
Chennai	4%

Source: PropEquity

Returns from Indirect Investing is based on project profitability rather than on price increase.

Expertise.



- 
- **About us**
 - **Meet the team**
 - **What we have done right**
 - **Track record of performance**



About us



Motilal Oswal – An investment powerhouse



30+

YEARS OF PRESENCE



₹ 62,000 Cr+^

AUM



8%*

SPONSOR COMMITMENT



₹ 20,000 Cr+^

MARKET CAP



5,000+

EMPLOYEES



**Fortune 500
Company**

* AMC and Fund Management Business

^ As of 31st Dec 17

Motilal Oswal Private Equity (MOPE) - Overview



About MOPE

- Headed and co-founded by Mr. Vishal Tulsyan, cumulative AUM under MOPE Group is in excess of ₹ 5,000 Cr
- MOPE manages three growth capital funds and three real estate funds
- Provides capital to mid-market companies since 2006 and focused Sectors include Consumer, Financial Services, Pharmaceutical, Niche manufacturing and real estate
- 3rd Fund under growth capital is in fund raising mode; Received commitment of ₹ 1,472 Cr (Target size - ₹ 2,000 Cr)

Growth Capital Track Record

Fund 1
₹ 550 Cr

26.6%

Gross IRR(%)*

5.4x

Multiple*

- 2007 vintage fund deployed in 13 investments
- Exit mode with 8 full exits and 3 partial exits
- One of the best performing Funds of 2007 vintage

Fund 2
₹ 950 Cr

31.3%

Gross IRR(%)*

1.8x

Multiple*

- 2012 vintage fund
- Fully committed across 11 investments

* As of November 20, 2017; Based on realized exits and third party valuation in ₹ terms (as of 30th September 2017)

^ Based on third party valuation as of 30th September 2017

Motilal Oswal Real Estate (MORE) – Proven performance track record

About MORE

- MORE is a subsidiary of MOPE
- MORE has focused on real estate investing since 2009
- Headed by Sharad Mittal, MORE currently manages and/or advises three real estate India funds and PMS/ Prop Book investments with a cumulative AUM of over ₹ 2,100 Cr

₹ 2,100 Cr+

AUM

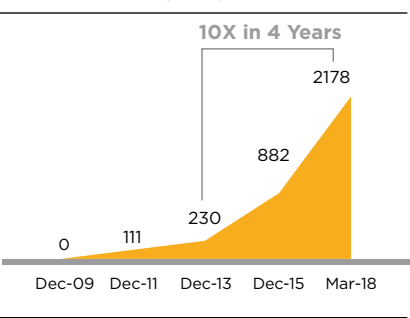
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EXITS

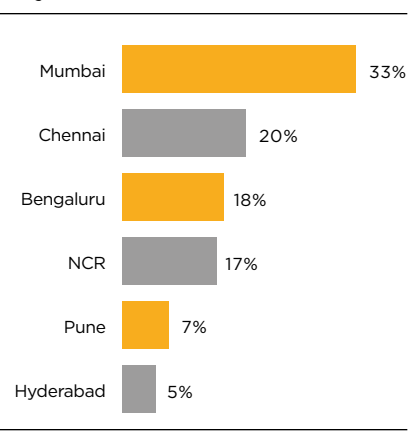
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INVESTMENTS

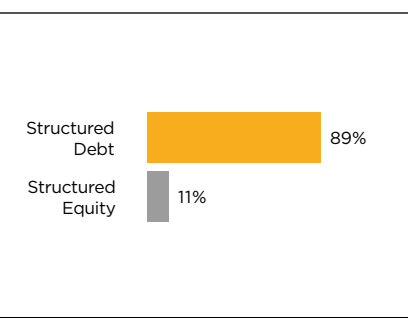
AUM Growth (₹ Cr)



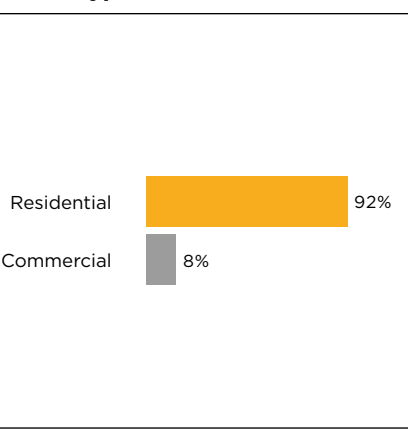
City Allocation



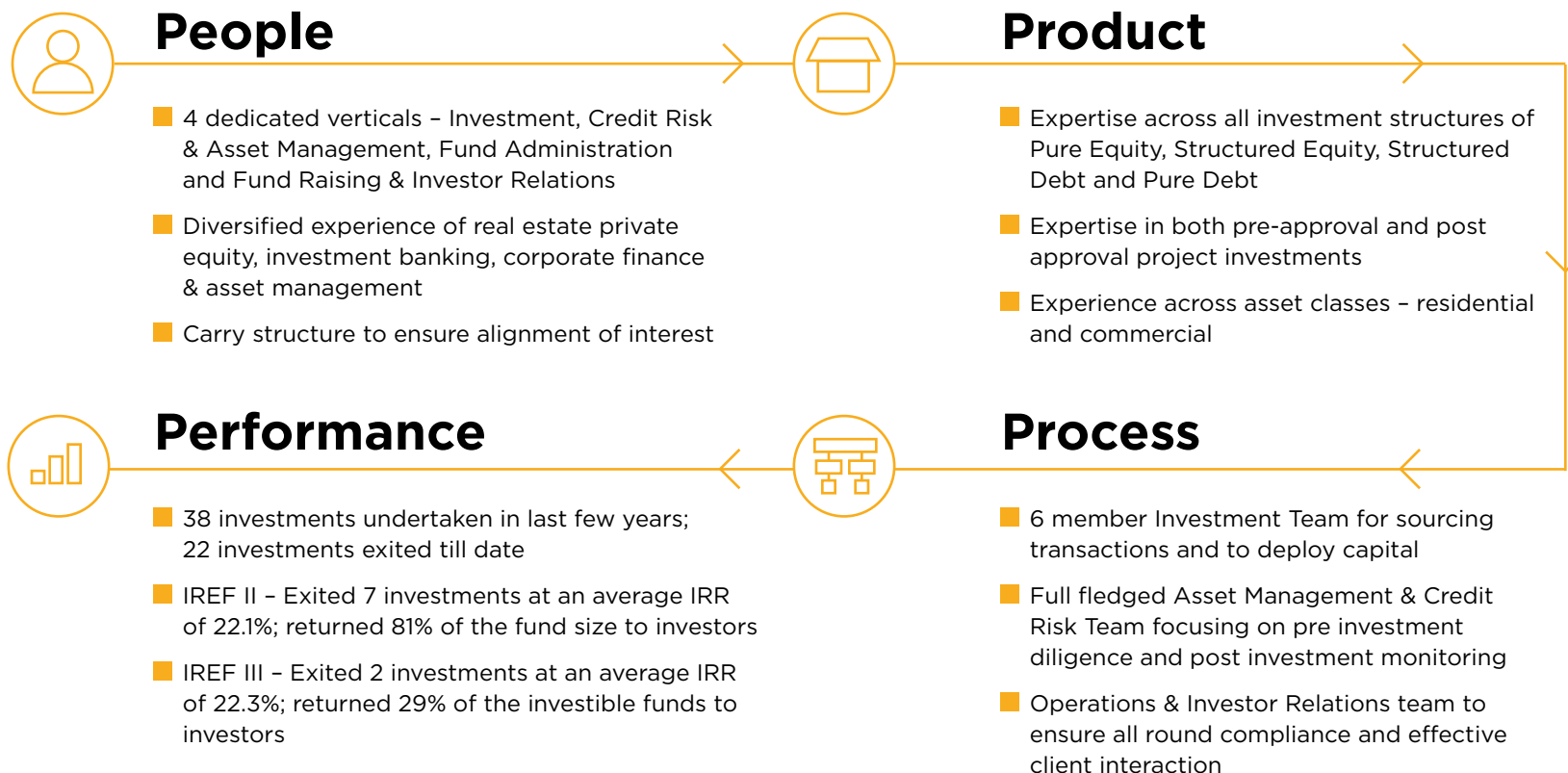
Investment Structure Allocation



Asset Type Allocation



Our value proposition in 4 Ps



MORE is a seasoned real estate focused private equity player with expertise across all investment structures (debt, mezzanine and equity) backed by a skilled team

Cross-functional MORE team – One of its kind in the industry



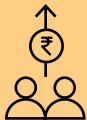
Investments

- 6 member team
- Responsibilities include sourcing of deals, investments & portfolio monitoring
- Focused approach through city wise allocation



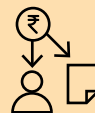
Credit, Risk & Asset Management

- 2 member team; to be expanded consequently
- Responsibilities include independent evaluation, analysing potential risks, post investment monitoring



Fund Raising & Investor Relations

- 2 member team; to be expanded consequently
- Responsibilities include fund raising, investor relations, marketing and communication strategy for MORE



Fund Administration & Compliance

- 4 member team
- Responsibilities include fund operations, accounting and fund compliance

Meet the team



Stable team with investing & operational prowess



SHARAD MITTAL

(CEO - Motilal Oswal Real Estate)

- Sharad has been instrumental in rebuilding and scaling up the MORE business from an AUM of ₹ 200 crore to over ₹ 2,000 crore in last 4 years
- Prior to joining MORE, Sharad worked with ICICI Prudential AMC leading the fund raising and was part of the investment team in the commercial office fund and mezzanine fund; he has also previously worked with ASK Property Investment Advisors and ICICI Bank
- He is a member of the CII National Committee on Real Estate & Housing, and a member of the IMC Chamber of Commerce and Industry committee on urban development. He is also a member of RICS
- Sharad is a Chartered Accountant and holds a Bachelor degree in Commerce from Delhi University



BINIT SARAF

(Principal - Investments)

- Responsible for investments & portfolio monitoring
- Over 13 years of experience in real estate private equity, structured finance and investment banking
- Binit has previously worked with IL&FS Private Equity, ILFS Structured Finance, and ICICI Venture
- MBA (IIFT Delhi); CA; B.Com (St. Xaviers, Kolkata)



SAURABH RATHI

(Head - Credit & Asset Management)

- Saurabh heads the Credit & Asset Management vertical at MORE.
- He has over 10 years of experience in real estate, business strategy and corporate finance
- Saurabh has previously worked with a leading listed real estate developer
- MBA (Jamnalal Bajaj, Mumbai); B.E (BITS, Pilani)



CHANDRAKANT SONI

(Head - Fund Raising & Investor Relations)

- Chandrakant heads the Fund Raising & Investor Relations vertical at MORE
- Chandrakant has been associated with Motilal Oswal Group since 2013 as Zonal Head - Sales & Distribution for the Asset Management Business (MOAMC)
- He has more than 17 years of experience having previously worked with Aditya Birla Group, TATAs and Daiwa Asset Management, Japan
- MBA Finance (Pune University)


NAVEEN GUPTA

(VP – Fund Administration)

- Naveen is responsible for operations and fund administration at MORE
- Naveen has over 20 years of experience in Finance & Operations with in-depth knowledge of accounting of venture capital fund, alternative investment fund PMS, compliance and statutory issues
- Naveen has previously worked with ASK Property Investment Advisors Pvt. Ltd. where he was responsible for fund administration
- MBA (Finance); Cost Accountant


MUKUND LADDA

(VP – Asset Management)

- Mukund is responsible for project planning and managing & developing vendor relationship for execution of various real estate projects of the fund
- He has over 12 years of experience in various cross functional areas of construction, project planning and budgeting in the real estate sector
- In his past assignment he served as a Senior Manager, Projects with Mahindra Lifespaces
- PG in Advanced Construction Management (NICMAR); B.E. Civil (VJTI, Mumbai)


ANAND LAKHOTIA

(AVP - Investments)

- Anand is responsible for investments and portfolio monitoring
- He has over 7 years of experience in investment banking and private equity
- Anand has previously worked with Yes Bank Ltd and Centrum Capital Ltd in their investment banking division
- MBA (XLRI, Jamshedpur); B.Com (Calcutta University)


ASHISH GANGAL

(AVP - Investments)

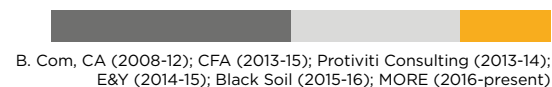
- Ashish is responsible for investments and portfolio monitoring
- Ashish has over 7 years of experience in investment banking and structured finance
- Ashish has previously worked with Xander Finance, J.P.Morgan, Vistasoft and TCS
- MBA (SIBM, Pune); B.E. (Mumbai University)

Stable team with investing & operational prowess

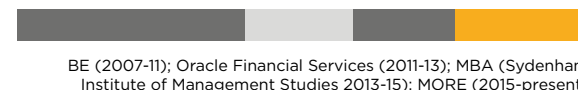
Associates ably supporting the investment team and operations team



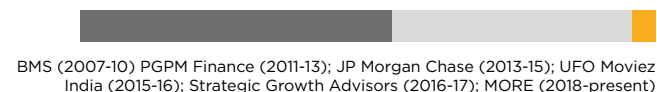
PRATIK ASHAR
(Senior Analyst)



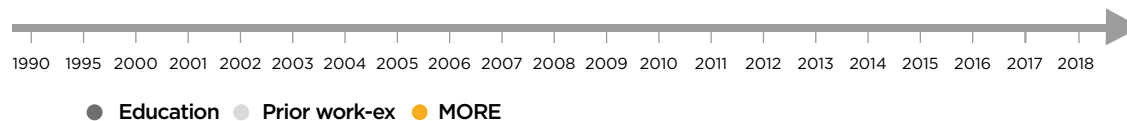
GAUTAM KAUL
(Senior Analyst)



SANGHAMITRA KARAK
(Investor Relations)



Note: CA - Chartered Accountant; PGDM - Post Graduate Diploma in Management; CFA - Chartered Financial Analyst; B. Com - Bachelor of Commerce; B. Tech - Bachelor of Technology ; BE - Bachelor of Engineering





RAJ SHAH
(Fund Admin)



CA (2010-14); B.Com (2010-13); Deloitte (2014-16);
Carnival Cinemas (2016-17); MORE (2017-present)



PALAK DEDHIA
(Fund Admin)



B.Com (2008-11); TCS (2012-2015); MORE (2015-present)



BHADRESH MEHTA
(Fund compliance)



B.Com (2007-10); CS (2010-12); LLB (2010-15); CLSA (2014-16); MORE (2017-present)

Note: CA – Chartered Accountant; PGDM – Post Graduate Diploma
in Management; B.Com – Bachelor of Commerce;
BMS – Bachelor of Management Studies



● Education ● Prior work-ex ● MORE



What we have done right



Ability to identify trends



Focused on Structured Debt

Problem	Identification of Trend	Outcome
<ul style="list-style-type: none"> 2013 – yields started declining Majority focused on fixed coupon, post approval projects 	<ul style="list-style-type: none"> Identified shift from “Approval Risk” to “Sales Risk” Focused on early stage structured debt transactions 	<ul style="list-style-type: none"> Downside protection Yield enhancement through equity kicker



Identified City Trends

<ul style="list-style-type: none"> Over past 3-4 years, overall sector sentiment has been negative 	<ul style="list-style-type: none"> Able to identify specific city and micro-markets that shall outperform the market 	<ul style="list-style-type: none"> IREF II – highest allocation was in Bengaluru which was the best performing market in 2013-16
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Partnered with Leading Developers

<ul style="list-style-type: none"> Unregulated Sector Yields and quality of Developer are inversely proportional 	<ul style="list-style-type: none"> Regulator is inevitable Industry “Consolidation” to be the trend going forward 	<ul style="list-style-type: none"> Early stage investment with established developer Yield enhancement without diluting quality
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Focused on Affordable Housing

Problem

- Burgeoning inventory levels mostly due to excess supply
- Luxury/high end segment worst affected

Identification of Trend

- Affordable housing segment was performing better than other segments
- Huge demand and lack of credit supply

Outcome

- Focused on affordable housing projects in top 6 cities
- Portfolio companies have been relatively resilient to the current downturn



Active Asset Management

- Passive investment management by funds was leading to project/cash-flows delays

- Built an active asset management and risk team
- Team equipped with technical, financial and regulatory knowledge

- Able to forecast problem enabling team to take timely corrective measures
- Exit calls also taken based on the feedback

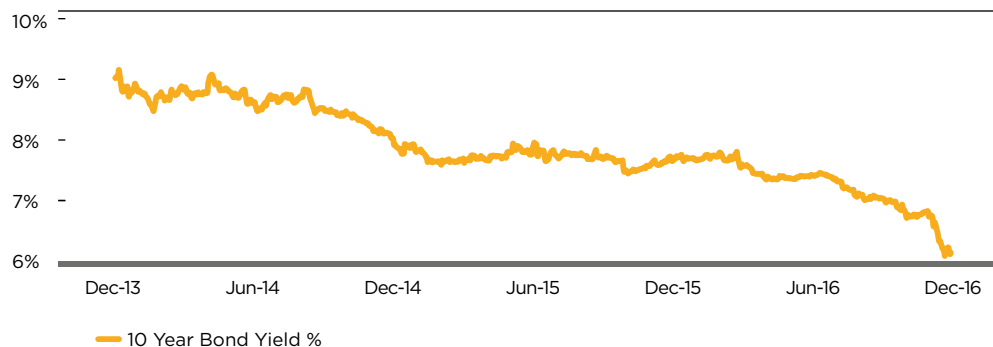
Ability of the Team to forecast future trends has resulted in superior performance by MORE
With Government's push towards affordable housing, macro call of focusing on affordable housing segment has been rewarding for funds managed by MORE

Focused on Structured Debt/Identified city trends

Focus on Structured Debt

- Yields had started falling from 2013 onwards
- Market focused on post approval, fixed coupon servicing projects
- MORE identified shift from "Approval Risk" to "Sales Risk"
- Focused on "Structured Debt" transactions ensuring downside protection along with equity upside

Yields were falling from 2013



Identified City Trends

- MORE identified key cities and micro-markets which would outperform the market
- ~40% of IREF II was deployed in Bengaluru (which was the best performing market from 2013-2016) across 4 transactions
- 3 out of the 4 transactions in Bengaluru in IREF II have been exited at an average IRR of ~27%
- With IREF III, Fund has made a debut in Hyderabad in the commercial segment

City Trends - 2013 to 2016			
City	Avg. Yearly Absorption (in million sq. ft.)	Price Rise (CAGR)	Inventory Overhang (2016) (in months)
Bengaluru	85	8%	32
NCR	84	-1%	47
Mumbai	81	3%	46
Pune	50	6%	35
Hyderabad	35	9%	26
Chennai	26	6%	35

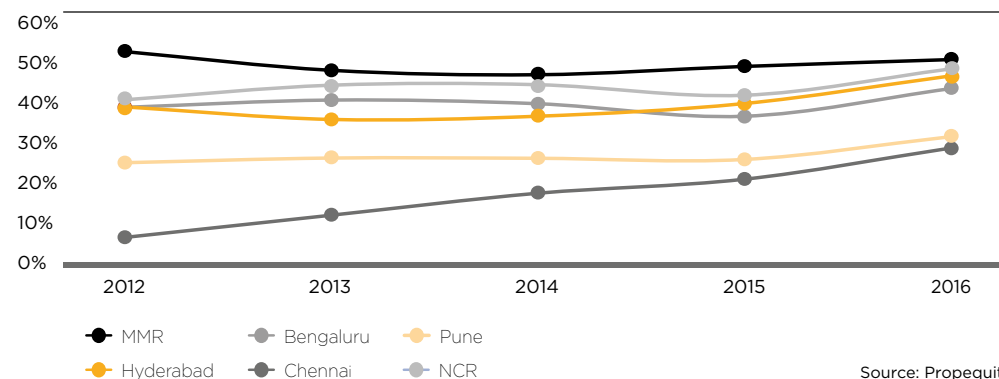
Source: PropEquity

Partnered with leading developers

Consolidation in the Sector

- Market share of top 30 developers across all cities has been showing a growing trend
- Stringent norms under RERA shall further drive consolidation

Market Share of Top 30 developers (%)



Focus on Established Developers

- In IREF II and IREF III, MORE has partnered with 13 unique developers
- 22 investments have been undertaken with developers having market leadership*
- 94% of IREF II and 89% of IREF III has been invested with developers having market leadership

* Market Leadership means being part of Top 30 developers in that micro-market in terms of sales absorption

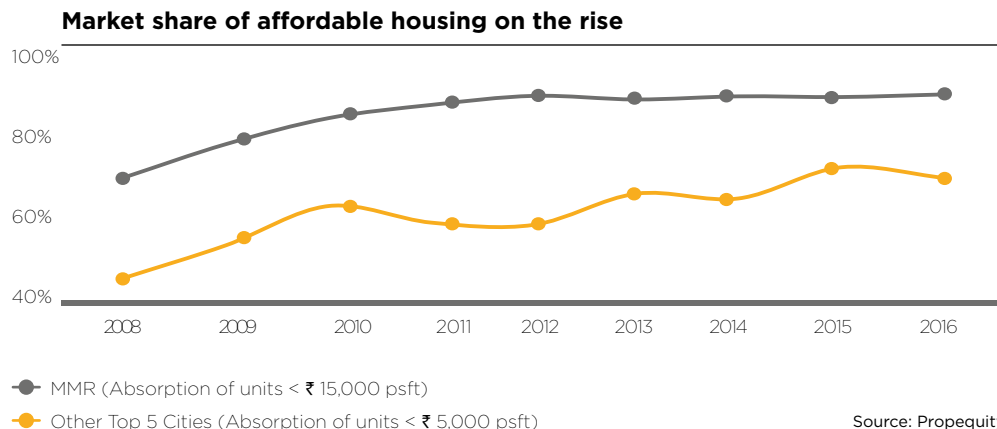
Developer Partners	Micro-market	Market Leadership*			No. of deals undertaken by our funds
		2014	2015	2016	
Casagrand Builder	Chennai	Yes	Yes	Yes	6
ATS Group	Delhi NCR	Yes	Yes	Yes	5
Shriram Properties	Bengaluru	Yes	Yes	Yes	2
Mahaveer Developers	Bengaluru	Yes	Yes	Yes	2
Rajesh Lifespaces	Mumbai	Yes	Yes	No	2
Kolte Patil	Pune	Yes	Yes	Yes	1

Source: PropEquity

Focused on affordable housing

Affordable Housing on the Rise

- MORE identified affordable housing as the primary focus way back in 2013
- Trends indicate the increase in share of affordable segment in the overall sector over past 3-4 years



Fund's Focus on Affordable Housing

- Average pricing under IREF II
 - For Non-Mumbai Cities - ₹ 4,947 psft
 - For Mumbai - ₹ 15,000 psft
- Average pricing under IREF III
 - For Non-Mumbai Cities - ₹ 5,108 psft
 - For Mumbai - ₹ 13,814 psft
- All investments over last 4 years have been in the affordable segment

Micro-market	Average Price of investee projects (₹ psft)	
	IREF II	IREF III
Mumbai	15,000	13,814
NCR	6,229	5,556
Bengaluru	4,327	5,250
Pune	6,200	4,472
Chennai	5,429	4,275
Cities other than Mumbai	4,947	5,108

Active asset management

Value Addition

Separate Asset Management Team

Regular site visit and Developer Meeting

Quarterly Review by Internal Auditor/PMC

Escrow Mechanism

Quarterly IC Review

Internal Auditor For MORE

Outcome

Focused approach towards post investment monitoring

Ensures regular project progress and analyzing critical issues

3rd party reports about project progress and project financials

Control over cash-flows leading to tracking of project expenses

Timely update to Investment Committee on project progress and take corrective action based on the advice of industry stalwarts

Internal Auditor for MORE to ensure there are no lapses in the investment and asset management process

Our External Consultants



CBRE

Deloitte.



PROP EQUITY
CREATING INVESTOR INTELLIGENCE

Active Asset Management has enabled MORE to forecast critical problem areas leading to timely corrective steps and also structure exits in some cases



**Track record
of performance**



Overview of IREF III



₹ 1,000 Cr Fund

- 2016 vintage fund; final close in Aug 2017
- 13 Investments across Mumbai, Delhi NCR, Bengaluru, Pune, Chennai & Hyderabad
- All the 13 investments are structured debt transactions

13

INVESTMENTS
ACROSS TOP 6 CITIES

2 out of 13

INVESTMENTS
EXITED

Fund III: Select Developer Partners





Fund III: Highlights

23%

OF INVESTIBLE FUNDS
RETURNED WITHIN
COMMITMENT PERIOD

29%

OF INVESTIBLE FUNDS
DIVESTED (CAPITAL &
INCOME)

89%*

OF AMOUNT INVESTED
WITH MARKET LEADERS^

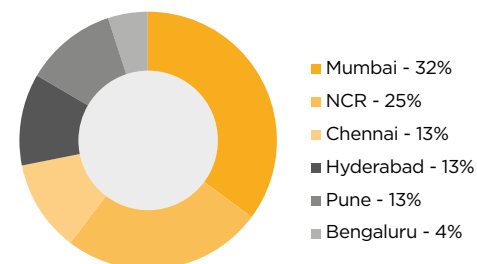
22.3%

AVERAGE IRR ON 2
EXITED INVESTMENTS

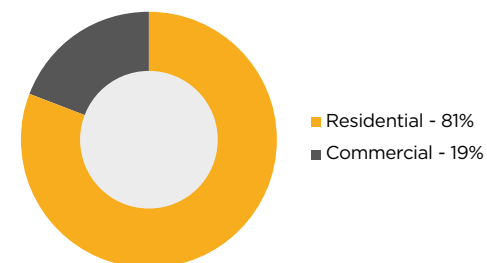
* on Invested Amount

^ Market Leader means being part of Top 30 developers in that micro-market in terms of sales absorption

City Allocation* (%)



Asset Class Allocation* (%)



Overview of IREF II



₹ 500 Cr Fund

- 2013 vintage fund; final close in Apr 2015
- 14 Investments; 7 exited
- 81% money has been returned to the investors within commitment period

Awarded
"Real Estate Fund of
the Year - Domestic"
at CNBC Real Estate
Awards 2016-17



Fund Performance

IRR (%)	No. of Investments		% of Capital Deployed #
25+	4	1	32%
23-25	1	2	24%
20-23	2	4	44%

■ To be exited ■ Already exited

Fund II: Select Developer Partners





Fund II: Highlights

81%

OF FUND SIZE RETURNED
WITHIN COMMITMENT
PERIOD

126%

OF FUND SIZE DIVESTED
(CAPITAL & INCOME)

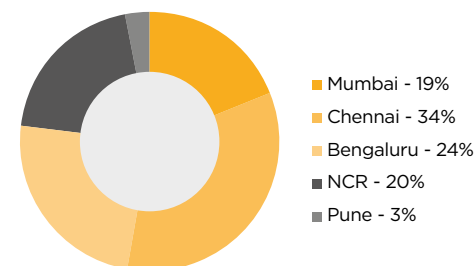
94%*

INVESTED WITH MARKET
LEADERS^

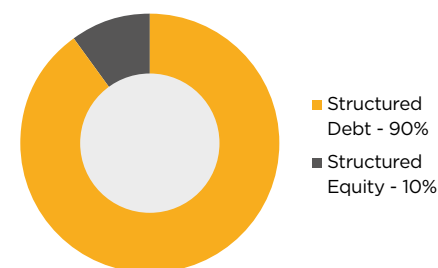
22.1%

AVERAGE IRR ON 7
EXITED INVESTMENTS

City Allocation* (%)



Investment Structure Allocation* (%)



* includes re-invested capital

^ Market Leader means being part of Top 30 developers in that micro-market in terms of sales absorption

* on invested amount including re-invested capital

Overview of IREF



₹ 165 Cr Fund

- 2008 vintage fund; final close in Dec 2009
- 7 Investments across Mumbai, Pune & Bengaluru
- All 7 investments have been exited

120%

CAPITAL
RETURNED

7 out of 7

INVESTMENTS
EXITED

Investment Strategy

- Focus on residential assets with compelling valuations
- Emphasis on leveraging cyclical nature of the industry and self liquidating nature of investments
- Focus on “Next-Gen” players which have good execution capabilities
- Achieve superior returns by investing capital through equity and/or equity related instruments in projects

Overview of Debt Book



₹ 310 Cr

- Investing since 2012
- 6 Investments across Mumbai, Bengaluru and Chennai
- All 6 investments have been exited

6 out of 6

INVESTMENTS
EXITED

21%+ IRR

GENERATED

Investment Strategy

- Focus on residential projects at established locations
- Partnering with renowned developers with good execution abilities in top 7 cities
- All investments are in post approval stage projects
- Attractive yields inspite of advanced stage of the project
- Managed through PMS and proprietary level funding

Value.



A stylized city skyline composed of various rectangular blocks of different heights and widths, rendered in a light blue line-art style against a dark blue background. The skyline is positioned on the left side of the slide, with the blocks receding into the distance towards the right.

■ IREF IV - Investment strategy & key terms



IREF IV – Investment strategy & key terms



Product positioning

Capital Preservation & Regular Cashflows

- Fixed Maturity plans
- Central & State Government/ PSU/ AAA rated bonds
- Liquid Funds

6-7%

RETURN RANGE

Debt Opportunities

- Dynamic Bond Funds
- Gilt Funds
- Income Funds
- Credit Opportunities Fund

7-9%

RETURN RANGE

High Yield Mezzanine Debt

- Pre/post approval stage
- Debt like security
- Regular coupon payment
- Blend of Debt & Equity

18-20%*

RETURN RANGE

Capital Appreciation – Structured Equity

- Developers with leadership position
- Recovery cycle has started
- Falling interest rates would benefit equity position

23-25%*

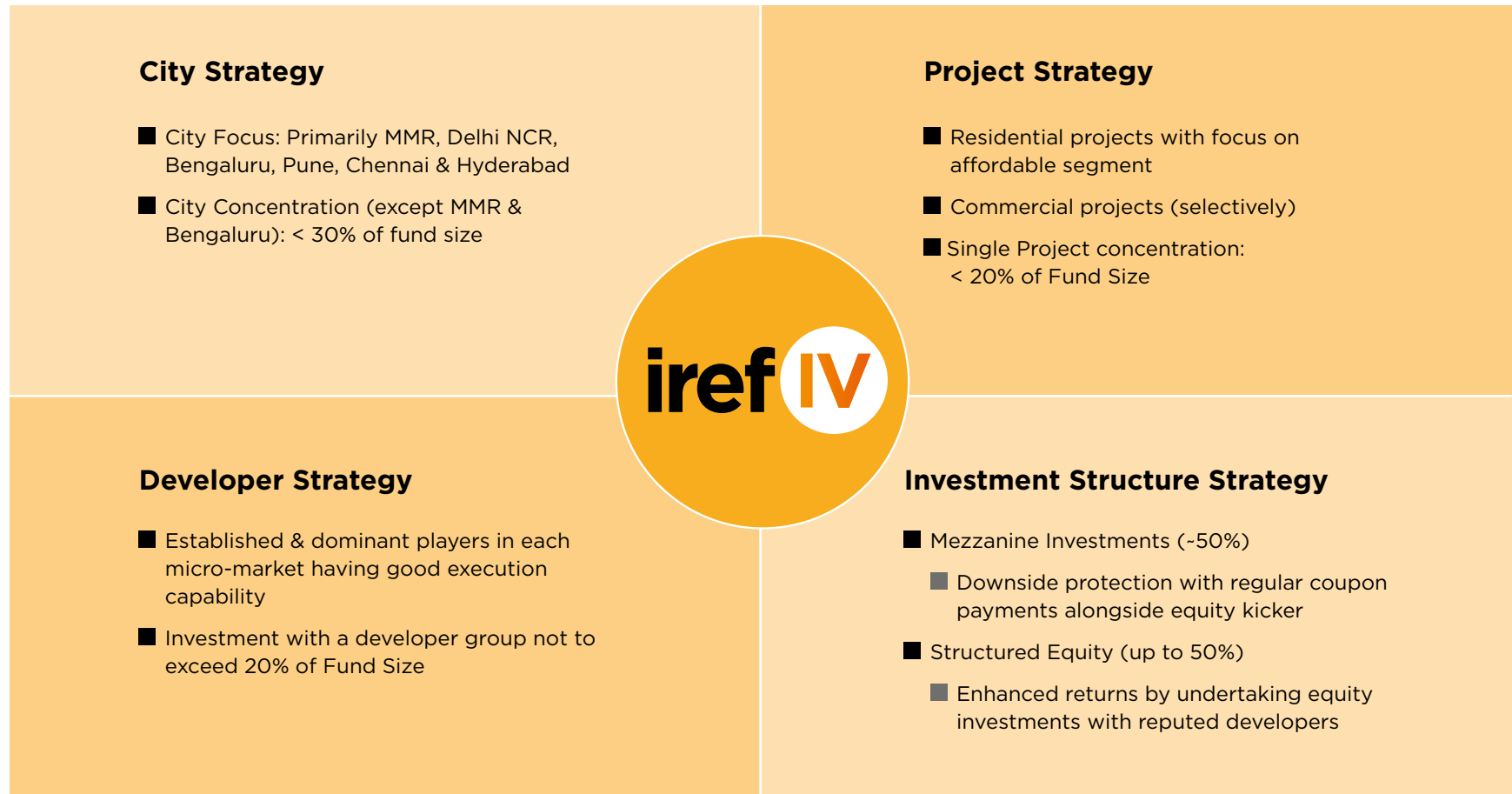
RETURN RANGE

RETURNS FROM THESE OPPORTUNITIES SHALL NOT BE COMMENSURATE TO BEAT THE INFLATION

IREF IV PROVIDES AN OPPORTUNITY TO INVESTORS TO ALLOCATE THEIR CAPITAL TO HIGH YIELD DEBT OPPORTUNITIES / CAPITAL APPRECIATION

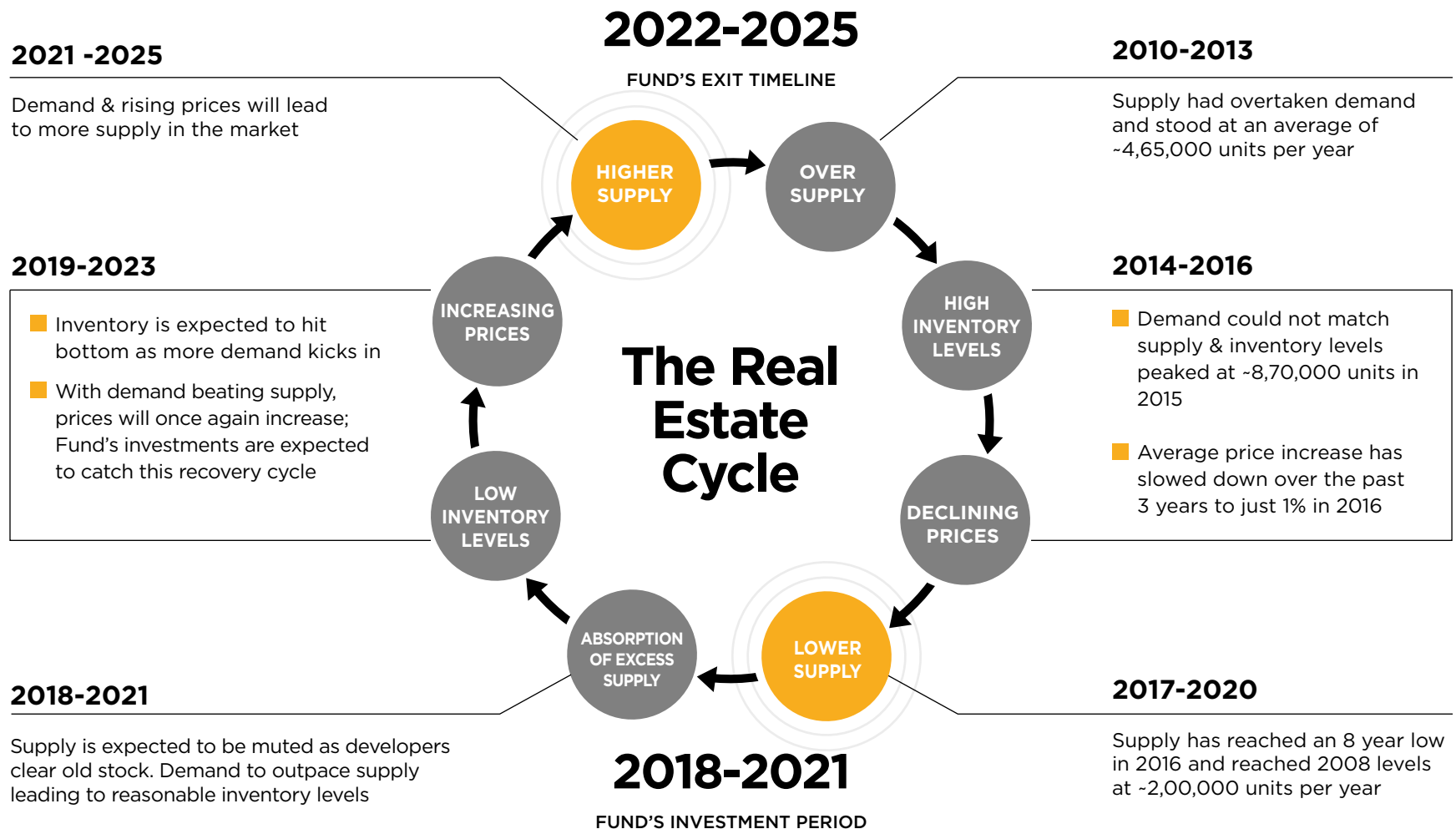
* Returns mentioned here are pre-tax, pre-fees and expenses (if any)

Building on the past investment strategy



These are only indicative; please refer to private placement memorandum for further details

Catching the real estate recovery cycle



Source: PropEquity (for top 6 Indian cities)

Investment Committee comprising industry stalwarts



PRANAY VAKIL (Chairman of Investment Committee)
(Independent Member)

- Over 25 years of experience in real estate
- Co-founder of Knight Frank India and co-chairman of the Real Estate Committee of FICCI



MOTILAL OSWAL
(Chairman, MOFSL)

- Over 30 years of experience in creating, leading and managing businesses
- Co-founder of Motilal Oswal Financial Services Ltd.



VISHAL TULSYAN
(Co-Founder & MD, MOPE Group)

- Over 18 years of experience in fund management, corporate finance and structured equity
- Founded MOPE in 2006



SANJAYA KULKARNI
(Independent Member)

- Over 44 years of experience in financial services sector
- Co-founder of 20th Century Finance, India's largest NBFC in mid 90s, and Centurion Bank



SOMAK GHOSH
(Independent Member)

- Over 22 years of rich experience in banking and financial services
- Co-founder of Yes Bank; has earlier worked with ICICI Bank and Rabo Bank

Deployment

- Investment decisions
- Divestment decisions
- Promoter meetings prior to investment

Monitoring

- Quarterly review of portfolio companies
- Formulating/advising on project strategy

* at Investment Manager's discretion

Anchor Investors shall be provided an option to be part of the Investment Committee to ensure investors' representation on the IC*

Salient features



Fund Size and Tenor

- ₹ 1,500 Cr fund with a tenor of 5 + 1 + 1 years



High Sponsor Commitment

- Sponsor will commit 10% of aggregate Capital Commitments received by the Fund, subject to a minimum Capital Commitment of ₹ 50 Cr and maximum Capital Commitment of ₹ 100 Cr



Majority External Members of IC

- Experts from various fields of Real Estate, Banking, Corporate Finance are part of Investment Committee



Alignment of Interest

- Carry structure for team members to ensure alignment of interest and minimise churn within the team



Project Strategy

- Invest primarily in top 6 cities across residential projects (selectively invest in commercial projects)



Regular Income & Equity Upside

- Mix of Debt and Equity with ~50% of the portfolio to be under mezzanine structure which will give periodic pay-outs and equity upside along with capital protection



Structured Equity Investments

- Up to 50% of portfolio to be invested under pure equity/ structured equity to take the benefit of recovery cycle

Key terms



Target Fund Size	₹ 1,500 Cr (including green-shoe option of ₹ 500 Cr)
Hurdle Rate	10% IRR (pre-tax)
Target Returns	22-24% IRR (Gross)
Minimum Commitment	₹ 1 Cr
Sponsor Commitment	10% of aggregate Capital Commitments received by the Fund, subject to a minimum Capital Commitment of ₹ 50 Cr and maximum Capital Commitment of ₹ 100 Cr
Tenure of the Fund	5 years from final closing date (extendable by 1 + 1 years)
Commitment Period	2 years from final closing date (extendable by 1 year)
Initial Contribution	10% of Commitment Amount (at the discretion of Investment Manager)

Fee Structure

Capital Commitment	One time Setup Fee	Management Fee*	Performance Fee (with catch up)
₹ 1 Cr to 10 Cr	2.00%	2.00% p.a	15.00% p.a
> ₹ 10 Cr to 25 Cr		1.75% p.a	12.50% p.a
> ₹ 25 Cr		1.50% p.a	10.00% p.a

Note: All above fees are excluding any taxes for Class A unit holders

* To be charged upfront on net capital commitment for first 12 months from Initial Closing; thereafter payable in advance on a quarterly basis on Invested Capital

Please refer to private placement memorandum and contribution agreement for further details

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