

# AMERO Global Investors LLC

a premier institutional real estate investment firm

*Competence, Performance, Integrity*

## INVESTOR NEWSLETTER

Volume 1, Issue 2  
September 2013



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### *Amero Global Update*

By Rodney Johnson and William Whipple

It is with excitement that we deliver the second issue and update of our Investor Newsletter! With our being an institutional real estate investment firm, we plan for the achievement of our imminent milestones – AMREVD’s first close and our new strategic investor – to be the focus of our next newsletter issue.

Amero Global Investors was founded in July 2009 with the vision: 1) to build one of the finest, most respected real estate investment firms, 2) that delivers outperformance for our investors, 3) that has a reputation for always placing investor interests first, 4) for utilizing leading sustainability practices that enhance investment return, and 5) that pays forward to change lives and improve communities. We are incidentally a minority emerging manager, which is advantageous because of institutional investors with objectives to diversify their manager lineups.

We have installed several key elements for Amero Global Investors’ success. We garnered management company operating capital and co-investment capital to which we will supplement operating reserves; pre-marketed AMREVD to obtain investor and consultant input, prepared

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many of our key legal documents through Seyfarth Shaw LLP, including for our value-added real estate strategy; have installed much of the technological systems including primary, backup and cloud servers, secure VPN remote access, accounting and financial systems that allow us to operate professionally and efficiently; began implementing employee medical, life, disability, dental and 401k plans; outsourced to a payroll and PEO/HRO (professional employer organization / human resources organization) to allow us to focus on our core business; cultivated real estate investment deal flow sources, operating partners, strategic partners and potential lending sources; developed acquisitions and investment committee processes; installed Argus system for financial valuation, acquisition and asset management; developed Sustainability Guidelines and Manual; receive ongoing counsel from Real Estate Fiduciary Services whose president chairs the REIS Committee developing new industry performance and valuation standards; achieved certification as a Minority Business Enterprise (MBE); and have been able to attract and retain key talent as needed.

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## *Amero Overview and Update*

(Continued)

We joined a Georgia Institute of Technology sustainability benchmarking program designed to address many shortfalls of existing certification programs such as LEED. Professor Godfried Augenbroe who leads the program joined our Board of Advisors. This provides resources, leading expertise and technology to enhance our investment and sustainability efforts while serving to promote us as an industry leader.

We have also participated in a variety of industry programs (seminars, conferences, webinars, etc.) which continue to enhance our strengths and refine our investment strategy, and at the same time, allow us to meet many of the thought leaders in our space while we market our new firm. William recently participated in his first Pension Real Estate Association (PREA), CEO Leadership Forum. Included is a picture of William with Barry Sternlicht from Starwood Capital Group. When asked why he desires to strategically partner with Barry Sternlicht, William answered, "Not because he has invested over \$40b and figuratively has no peers in this industry...because of Barry's world class leadership and creativity and how he inspires me." He invited William to visit his New York office to discuss strategic partnering

*"Not because he has invested over \$40b and figuratively has no industry peers...because of Barry's world class leadership and creativity and how he inspires me."*

and his potential sponsorship. The PREA organization membership and CEO Leadership Forum participation are by invitation only. We are blessed and honored to have this opportunity and to be embraced by industry leaders literally at the top of the food chain in real estate. As a minority



*Left: Barry Sternlicht, Starwood Capital Group and William. Right: PREA CEO Leadership Forum in Washington DC.*

emerging manager pursuing such mandates, peer acceptance can be beneficial. As you can see from the picture of the CEO Leadership Forum front table of probably a hundred attendees, these are among the industry's leading players.

*"You CEOs are leaving a lot of money on the table by not going after smaller distressed assets that are quality and already income producing."*

At the CEO Leadership Forum, it was exhilarating at the end of the special servicing session when a panelist from one of the largest special servicers in the country said, "You CEOs are leaving a lot of money on the table by not going after smaller distressed assets that are quality and already income producing" – our sweet spot.

We are pleased to report that we continue to be well-received in the market and expect to have a new strategic investor and breakout year.

At a time when the financial crisis has placed a premium on integrity, Amero Global Investors will be a beacon for the industry and a 'safe haven' for investors in that we can always be relied on to do right by them.

*"Integrity is what we do, even when no one watches. If we do not demonstrate integrity, the world may watch."*

## Financial Review

By Terry Feldman

After infusion of angel capital from family and friends, we found a partner and major investor in 3Sisters Sustainable Management LLC, an investment firm in the business of incubating firms that emphasize healthy profits and sustaining the planet. They are pleased with our progress and cite us as a model for investors in their portfolio. They completed commitment that more than doubled their initial investment. However, a new strategic investor will provide funding for greater operating cushion as well as co-investment capital.

We have installed accounting software to produce financial reports, and we have already evaluated premier software packages to support our

## Market Overview

By Rodney Johnson and William Whipple

We launched our AMREVD fund with complete offering materials in the third quarter of 2011. It appears that timing has worked to our advantage. Many funds were either unable to raise real estate investment capital during the past two years, or if they already had the capital, found themselves returning it to investors. After experiencing significant distress in 2009 and still deteriorating fundamentals in 2010, the level of liquidity and U.S. investment transaction volumes improving dramatically over the last two years, the market's slow stable improvement in underlying property level demand translates to comparably favorable acquisitions pricing in our secondary markets and food groups.

Real GDP growth has been positive as the US economy has continued recovery from the recession. Though most economists do not expect a double dip, the probability has recently increased. In acquisition mode, our AMREVD fund

acquisitions and asset management process. We decided to implement a cloud computing platform at lower cost and to simplify process. Due to the short implementation time frame and our team's past experience utilizing that MRI system, we plan to purchase and implement the system a month ahead of our first acquisition.

We have engaged a leading financial and CPA firm, Habit, Arogeti & Wynne, to assist us in all aspects of financial reporting and tax preparation.

Consistent with our sustainability principles, year-end and quarterly financial statements and K-1s have been provided electronically to investors via authenticated access to our secured website.

is prepared to benefit if the economy slows. Thus far, the headwinds of a deepening recession in Europe, uncertainty over the presidential election and disappointing economic headlines including job growth have not jolted investor confidence in the commercial real estate recovery.

Both liquidity and real estate transaction activity continued to pick up from low levels, as credit markets and property level fundamentals continue to improve. Trophy assets in core 24 hour global financial markets were first to show significant price gains. With limited supply of new space, we expect vacancy and rents to continue improvement.

Meanwhile, the strong stock market performance has led to a re-balancing into real estate and a general recognition that prices remain discounted, making this an opportune time to be a buyer in our secondary markets and food groups without the distraction of legacy assets.