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Latin American Investors Fuel \$150M Fund

By [Kelsi Maree Borland](#) | Los Angeles



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LOS ANGELES—**Palisades Mexico Partners**, a joint venture between **Joaquin de Monet**, founder and managing principal of **Palisades Capital Realty Advisors**, and **Sergio Argelles**, president and CEO of **FINSA**, has launched **Palisades Income & Growth Fund II**, a \$150 million fund that will acquire core-plus and value-add **office** properties in suburban markets. The second fund from the partnership, Palisades Income & Growth Fund II pools capital from Latin American-based investors looking to invest in US markets.

"Our investors are family offices and ultra high net worth investors in both the US and Mexico. Mexicans, like other foreign investors, are seeking attractive alternative US dollar-based returns to hedge against local currency and the stock and bond markets," de Monet tells GlobeSt.com. PMP's [first fund](#) produced 9% to 12% returns with investor equity up 30%. For this fund, de Monet expects 8% current return annually and 15% over the 7- to 10-year hold period.

The office properties acquired by the fund will generally range in value from \$15 million to \$45 million in suburban markets in the western US. "We believe there is better value and better risk adjusted returns in select suburban market, and we believe that the tightening and increased occupancy costs of many CBDs spurs an interesting opportunity to attract tenants focused on value and amenities," says de Monet. With the addition of this fund, de Monet will have \$1 billion in assets in the next 12 months.

The \$150 million fund will be 20% invested at closing, while the remaining capital will be used to purchase similar properties to diversify the portfolio. The fully invested fund will have a 20-property portfolio and will be valued at \$450 million.